

1           IN THE UNITED STATES DISTRICT COURT  
2           FOR THE NORTHERN DISTRICT OF OHIO  
3           EASTERN DIVISION

4                           -   -   -

5   IN RE:   NATIONAL               :   MDL NO. 2804  
6   PRESCRIPTION OPIATE       :  
7   LITIGATION                   :

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8                                       :   CASE NO.  
9   THIS DOCUMENT               :   1:17-MD-2804  
10 RELATES TO ALL CASES:

                                     :   Hon. Dan A.  
                                     :   Polster

11                           -   -   -

                  Thursday February 7, 2019

12                           -   -   -

13   HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER  
14   CONFIDENTIALITY REVIEW

                         -   -   -

15                           Videotaped deposition of AL  
16   PAONESSA, taken pursuant to notice, was  
17   held at Buffalo Marriott Harbor Center,  
18   95 Main Street, Buffalo, New York 14203,  
19   beginning at 10:05 a.m., on the above date,  
20   before Amanda Dee Maslynsky-Miller, a  
21   Certified Realtime Reporter.

                         -   -   -

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Dan Lawlor, Videographer

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- - -  
I N D E X  
- - -

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15 Stipulations

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18

19

20 Question Marked

21 Page Line Page Line Page Line

22 None

23

24

1

- - -

2

(It is hereby stipulated and

3

agreed by and among counsel that

4

sealing, filing and certification

5

are waived; and that all

6

objections, except as to the form

7

of the question, will be reserved

8

until the time of trial.)

9

- - -

10

VIDEO TECHNICIAN: We are

11

now on the record. My name is Dan

12

Lawlor, I'm a videographer with

13

Golkow Litigation Services.

14

Today's date is February 7th,

15

2019, and the time is 10:05 a.m.

16

This video deposition is

17

being held in Buffalo, New York,

18

in the matter of National

19

Prescription Opiate Litigation,

20

MDL Number 2804.

21

The deponent is Al

22

Paonessa. Counsel will be noted

23

on the stenographic record. The

24

court reporter is Amanda Miller

1                   and will now swear in the witness.

2                                 -   -   -

3                   AL PAONESSA, after having  
4                   been duly sworn, was examined and  
5                   testified as follows:

6                                 -   -   -

7                                 EXAMINATION

8                                 -   -   -

9       BY MR. PENNOCK:

10               Q.     Mr. Paonessa, my name is  
11       Paul Pennock. I'm going to have quite a  
12       few questions for you today.

13                         Can we have an agreement  
14       that if at any time you don't understand  
15       my questions, you'll let me know?

16               A.     Yes.

17               Q.     Otherwise, I'm going to  
18       assume that you understood them, okay?

19               A.     Okay.

20               Q.     You do understand we're  
21       relying upon the truth of your answers  
22       here today?

23               A.     Yes.

24               Q.     As I understand it, you were

1 president of a company known as Anda from  
2 2005 to 2015; is that right?

3 A. Correct.

4 Q. And you worked at Anda, as  
5 well as a predecessor company, for some  
6 years before that; is that correct?

7 A. Yes.

8 Q. So before you became  
9 president, you worked in sales for about  
10 four years?

11 A. Two years in sales.

12 Q. Two years in sales.  
13 And before that, you worked  
14 in IT?

15 A. Yes. Two years.

16 Q. And the work that you did  
17 throughout that entire time period  
18 involved the distribution of  
19 pharmaceuticals; is that right?

20 A. Yes.

21 Q. During that time period, and  
22 I'm going to focus right now from 2005 to  
23 2015, during that time period, some of  
24 the pharmaceuticals that your company was

1 responsible for distributing were  
2 opioids; is that correct?

3 A. Correct.

4 - - -

5 (Whereupon, Anda-Paonessa  
6 Exhibit-1, Resume, Albert R.  
7 Paonessa, III, was marked for  
8 identification.)

9 - - -

10 BY MR. PENNOCK:

11 Q. I marked as Exhibit-1 to  
12 your deposition what I understand to be  
13 your resume.

14 MR. PENNOCK: Do you need a  
15 copy of that?

16 Do you need a copy?

17 MS. KOSKI: Yes.

18 BY MR. PENNOCK:

19 Q. Now, you currently work for  
20 a company known as KeySource?

21 A. Yes.

22 Q. And they also distribute  
23 pharmaceuticals?

24 A. Yes.

1 Q. Did they distribute opioids?

2 A. No.

3 MS. KOSKI: Object to form.

4 BY MR. PENNOCK:

5 Q. Did they, at one time,  
6 distribute opioids?

7 A. Yes.

8 Q. Back when you were at Anda,  
9 were they sometimes a customer of yours?

10 A. Not that I know of.

11 Q. I want to turn to the last  
12 page of your resume, because I had a  
13 question about something on it.

14 So, first of all, you  
15 indicate here that your strongest belief  
16 is that you always do what is right.

17 Do you see that statement?

18 A. Yes.

19 Q. Is that something you wrote?

20 A. Yes.

21 Q. Is that a belief that you've  
22 held for a long time, or just when you  
23 prepared this resume?

24 A. Always.



1 Q. A long time?

2 A. Yes.

3 Q. You also have something  
4 called a link to a Myers-Briggs  
5 Interpretive Report.

6 Do you see that?

7 A. Yes.

8 Q. Myers-Briggs, this is some  
9 kind of personality analysis; is that  
10 correct?

11 MS. KOSKI: Object to form.

12 THE WITNESS: I believe.

13 I'm not sure. I believe so.

14 BY MR. PENNOCK:

15 Q. Did somebody else put this  
16 on your resume, or did you put this on?

17 A. It was suggested by the  
18 person that created the resume for me.

19 Q. That you took this  
20 personality test, right?

21 A. No.

22 MS. KOSKI: Object to form.

23 You can answer.

24 THE WITNESS: This was

1           given -- this test was done while  
2           we were owned by Actavis, which  
3           was the parent company of Anda.

4                     They gave the test to the  
5           executives, and I took it and I  
6           got the report from it. And this  
7           gentleman who did my profile asked  
8           me if I had any of these, I said  
9           yes. And he thought it was good  
10          to put it into the resume, or at  
11          least the link to the document.

12   BY MR. PENNOCK:

13           Q.     Did you object to putting  
14   this on?

15           A.     No.

16           Q.     So it indicates that your  
17   personality, as determined by this  
18   Myers-Briggs test, includes -- the  
19   summary includes extraversion, right?

20                     That's what it found?

21           A.     Yes.

22           Q.     I mean, you sent this resume  
23   to people, haven't you?

24           A.     Yes.

1           Q.     So when you sent it to them,  
2     this was on there, right?

3           A.     Correct.

4           Q.     And it also indicates that  
5     you have intuition, right?

6           A.     Yes.

7           Q.     And that your thinking and  
8     perceiving, that's your personality type,  
9     ENTP, right?

10          A.     Yes.

11          Q.     And you also wrote that  
12     ENTPs tend to be innovative, strategic  
13     thinkers, versatile, analytical and  
14     entrepreneurial.

15                     Do you see that?

16          A.     It's written there. I did  
17     not write that. That was -- comes from  
18     the Myers-Briggs description of what an  
19     ENTP is.

20          Q.     Again, but this is your  
21     resume, you put that on there to declare  
22     yourself to have been found to be these  
23     things by the Myers-Briggs test, right?

24          A.     Yes.

1 Q. Let me back up a little bit.

2 You --

3 MS. KOSKI: I'm sorry, just  
4 for one second. You didn't mark  
5 the exhibit, or if you did, you  
6 might have the one with the label.

7 MR. PENNOCK: I have it  
8 right here.

9 MS. KOSKI: The one he has  
10 doesn't have a label. Did you  
11 want him to be looking at the  
12 labeled one, or do you want to  
13 keep those?

14 MR. PENNOCK: Whatever you  
15 prefer. It doesn't matter to me.  
16 I just realized I was writing on  
17 the marked one.

18 MS. KOSKI: I saw you  
19 underlining it too. But you might  
20 want to be using the marked one.  
21 I'm just trying to figure it out.

22 BY MR. PENNOCK:

23 Q. When you were at Anda, you  
24 would sell -- well, let me back up.

1                   What is oxy?

2                   MS. KOSKI: Object to form.

3                   THE WITNESS: A

4                   pharmaceutical drug.

5 BY MR. PENNOCK:

6                   Q.     You've used that term  
7 before, right, oxy?

8                   A.     Oxy? Sure. Yes.

9                   Q.     What does it refer to?

10                  A.     OxyContin.

11                  Q.     Is that it? Does it refer  
12 to anything other than OxyContin?

13                  A.     Not that I know of.

14                  Q.     So when you were at Anda --  
15 by the way, you were often referred to as  
16 AL3; is that right?

17                  A.     Yes.

18                  Q.     Because you're Albert  
19 Paonessa, III, correct?

20                  A.     Right.

21                  Q.     So when you were at Anda, at  
22 one point in time, at least during 2008,  
23 you were selling about \$7.5 million a  
24 quarter in oxy; isn't that right?

1 A. I'm not sure.

2 Q. So if you were selling \$7.5  
3 million a quarter, that would be about  
4 \$30 million in oxy a year, right?

5 MS. KOSKI: Object to form.

6 THE WITNESS: Math-wise,  
7 yes.

8 BY MR. PENNOCK:

9 Q. And, by the way, for the ten  
10 years that you were president at Anda,  
11 how much did you earn, in total?

12 MS. KOSKI: Object to form.

13 THE WITNESS: I don't know.

14 BY MR. PENNOCK:

15 Q. Do you have an estimate for  
16 how much you earned?

17 A. For the ten years?

18 MS. KOSKI: Are you asking  
19 him personally or the company?

20 MR. PENNOCK: I'm asking him  
21 how much he earned for the ten  
22 years he was at Anda.

23 MS. KOSKI: Personally?

24 THE WITNESS: I can try to

1           go year by year and add it up in  
2           my head, but I don't really know  
3           how much it was. A lot of it was  
4           in stock, too. So that changed in  
5           value over time.

6                     My salary was around  
7           \$400,000. And then I got bonuses  
8           of up to 50 to 75 percent of that.  
9           So on a yearly basis, I would get  
10          somewhere around \$650,000.

11                    And then I got stock that  
12          vested over four years. And I  
13          don't know what the value of that  
14          is. But the company itself grew  
15          quickly and the stock appreciated,  
16          too. So it was Actavis stock, it  
17          wasn't Anda stock.

18   BY MR. PENNOCK:

19                   Q.       So taking your income,  
20          including bonuses, we can rough it out  
21          that as -- ten years as president, you  
22          made somewhere in the neighborhood of  
23          \$6.5 million?

24                   A.       Possibly.

1 Q. And in addition to that, you  
2 received stock?

3 A. Yes.

4 Q. What were your bonuses based  
5 on?

6 A. Bonuses were based -- 40  
7 percent was based on the contribution or  
8 what Anda did for the company, and then  
9 60 percent was based on what Actavis did  
10 as a company.

11 Q. Did you meet with lawyers  
12 regarding your deposition here today to  
13 prepare?

14 A. Yes.

15 Q. How long did you meet?

16 A. Yesterday, probably three,  
17 four hours.

18 Q. Did you meet with any --  
19 anybody other than a lawyer to prepare  
20 you for presentation at this deposition?

21 A. No.

22 MR. PENNOCK: I'll mark this  
23 as Exhibit-2.

24 - - -



1 (Whereupon, Anda-Paonessa  
2 Exhibit-2,  
3 Anda\_Opioids\_MDL\_0000618121-123,  
4 was marked for identification.)

5 - - -

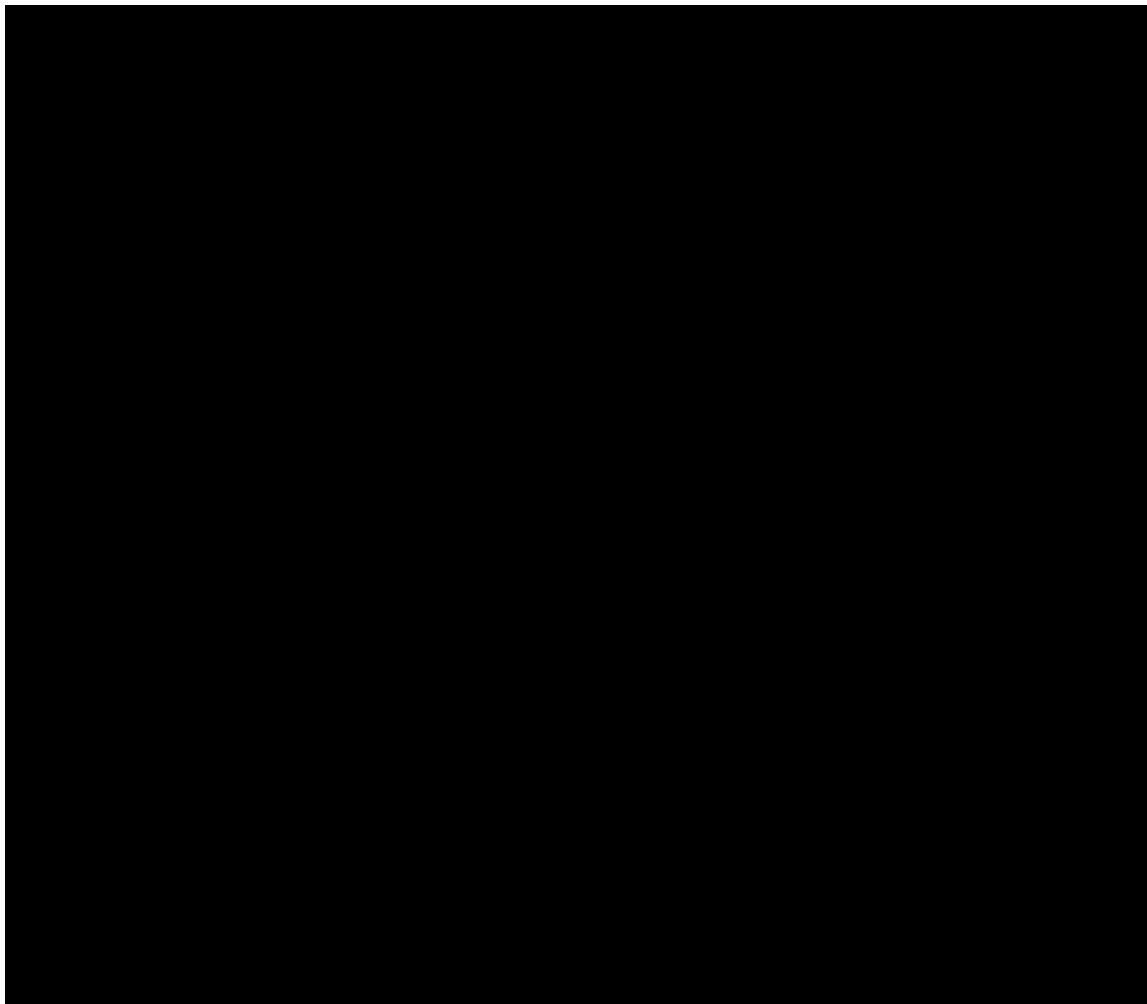
6 THE WITNESS: Okay.

7 BY MR. PENNOCK:

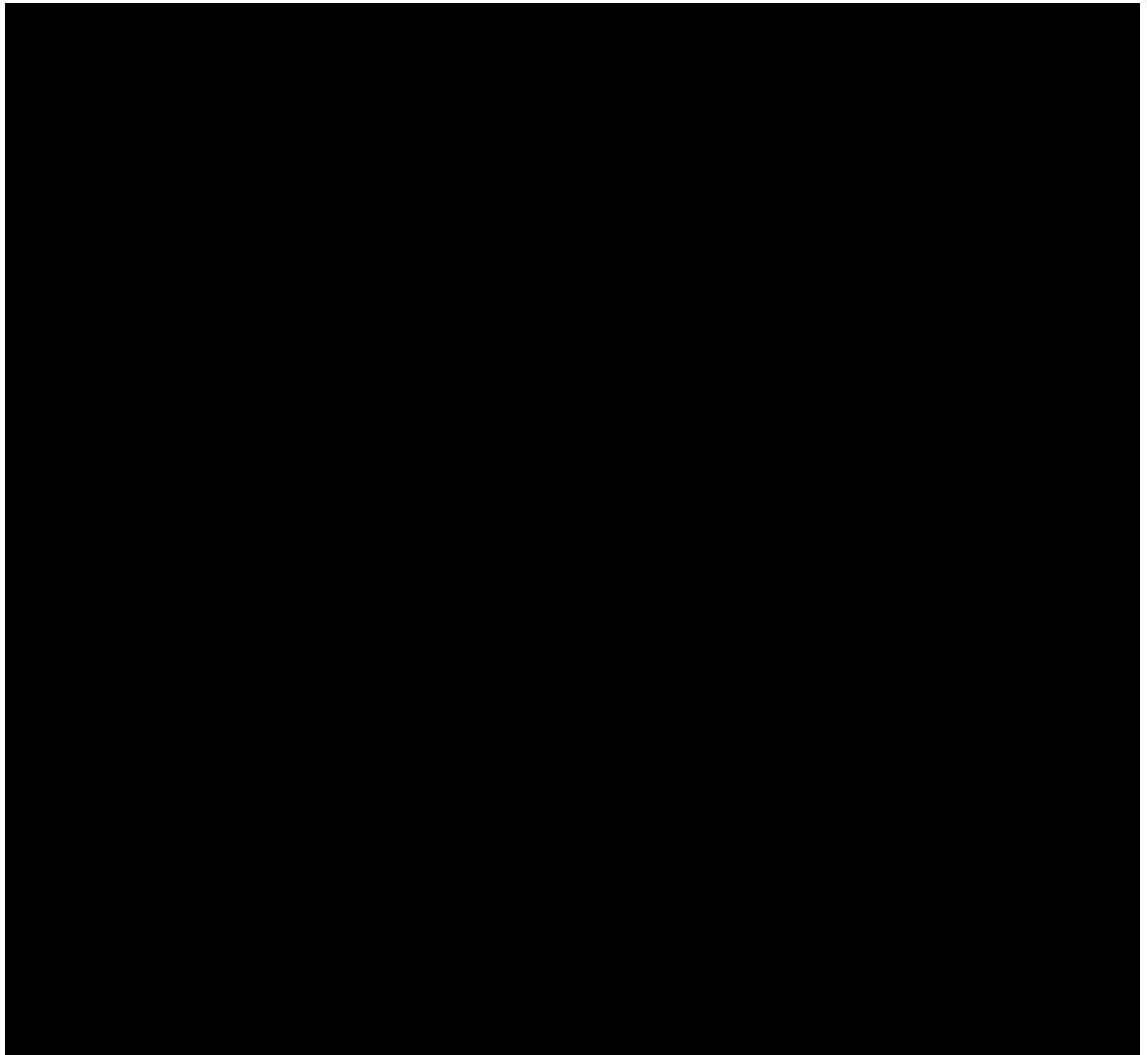
8 Q. Sir, you've had an  
9 opportunity to read Exhibit-2; is that  
10 right?

11 A. Yes.

12  
13  
14  
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14



15 Q. Mallinckrodt was one of your  
16 competitors?

17 A. No.

18 Q. Who is Mallinckrodt?

19 A. They are a manufacturer of  
20 generic pharmaceuticals.

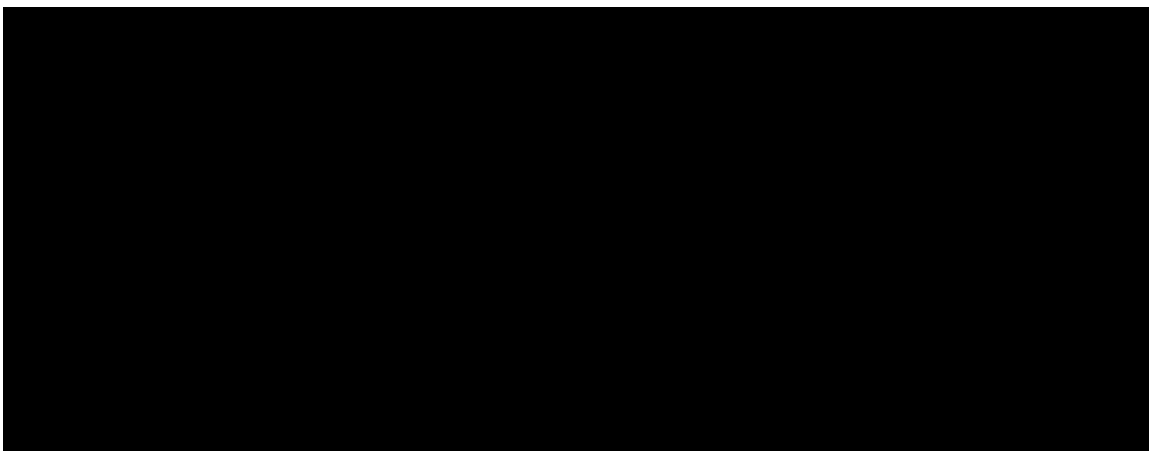
21 Q. And you didn't consider them  
22 to be one of your competitors at that  
23 time?

24 A. No.

1 Q. They didn't distribute in  
2 any way?

3 A. I'm not sure what they  
4 distributed. They sold to other  
5 distributors and wholesalers like myself.

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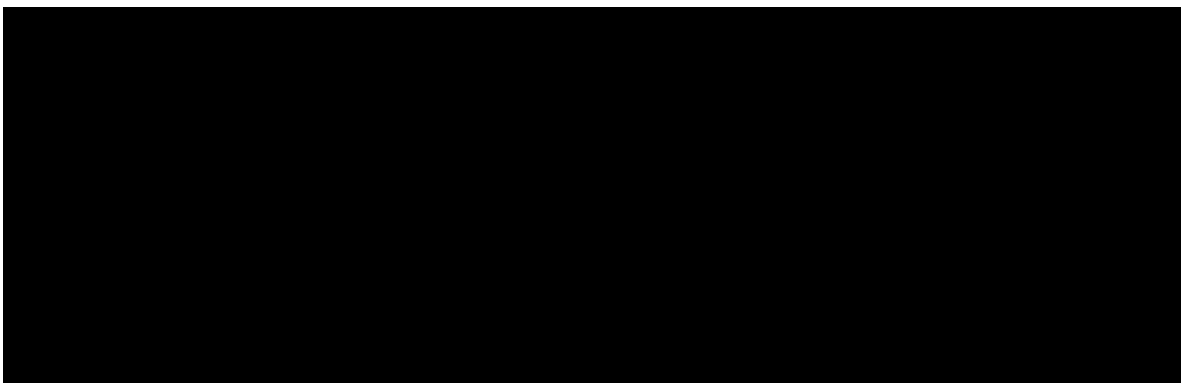
12 Q. So Kinray was a distributor?

13 A. Wholesaler/distributor, yes.  
14 They were a full-line wholesaler.

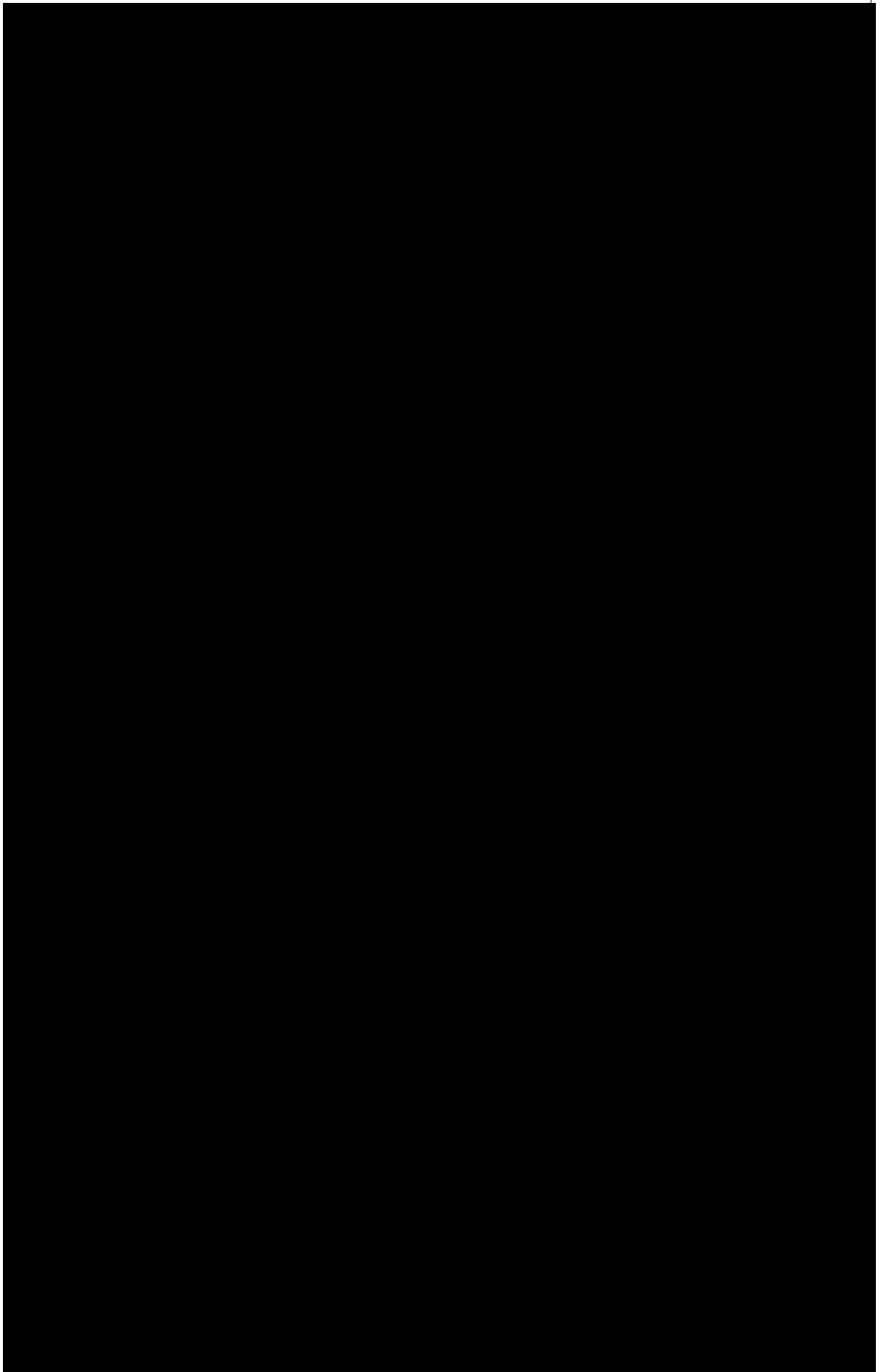
15 Q. What does that mean?

16 A. They sold brand drugs,  
17 generic drugs, OTCs, Kleenex, things like  
18 that. So they did the front end and the  
19 back end of a pharmacy.

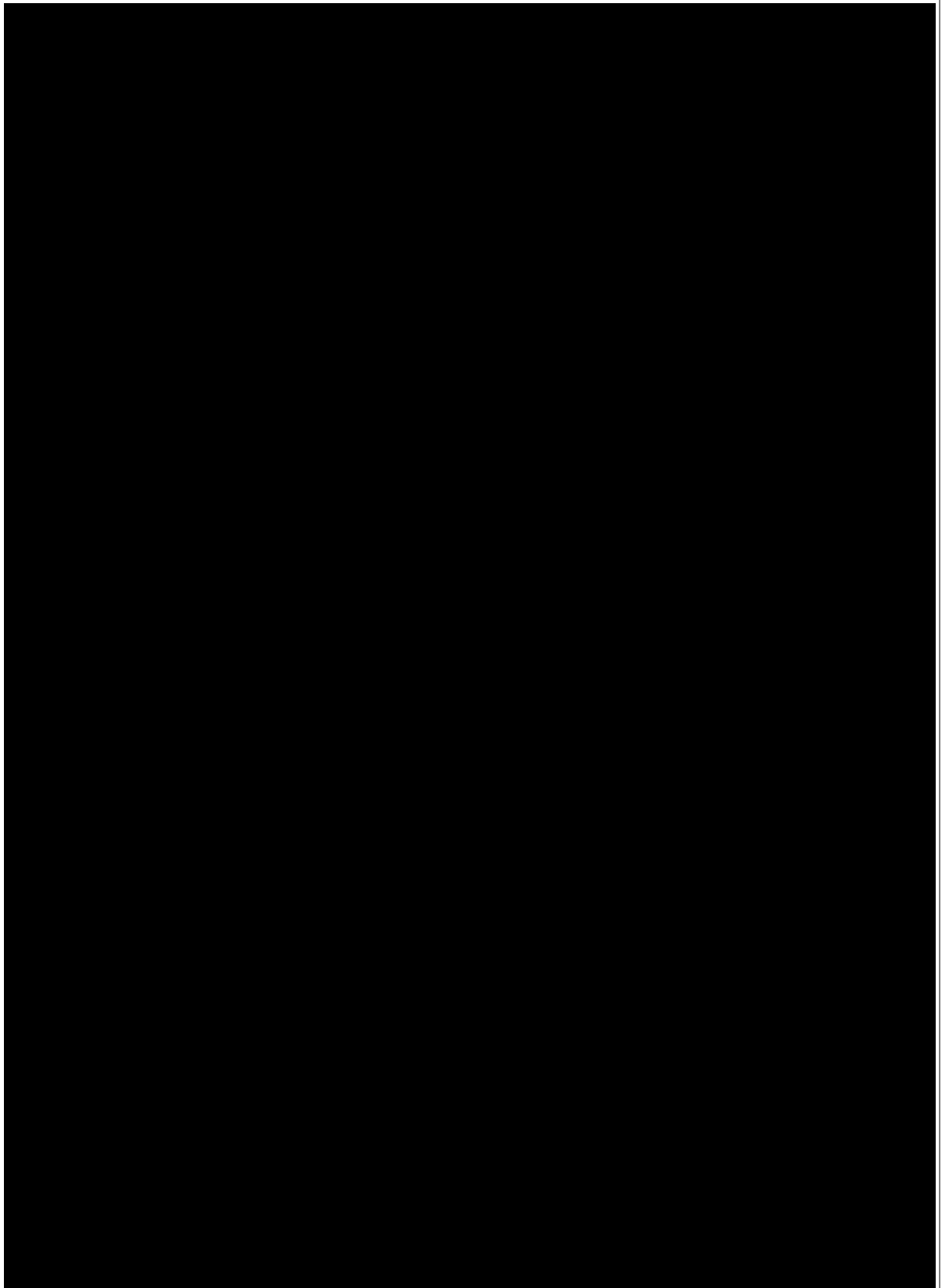
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22                   Q.     At some point in the summer  
23     of 2007, you formed an agreement with the  
24     DEA that you would not sell more than

1     5,000 units of a particular drug to  
2     customers of yours; is that correct?

3                   MS. KOSKI: Object to form.

4                   THE WITNESS: No.

5     BY MR. PENNOCK:

6                 Q.     You had an agreement that  
7     you would not sell more than 5,000 units  
8     of a drug to customers, more than that in  
9     one month, right?

10                  MS. KOSKI: Object to form.

11                  THE WITNESS: No.

12     BY MR. PENNOCK:

13                 Q.     So what agreement did you  
14     form, in your mind, in 2007?

15                  MS. KOSKI: Object to form.

16                  Go ahead.

17                  THE WITNESS: There was  
18     never an agreement. We met with  
19     the DEA, and the DEA gave us a  
20     guideline that nobody should  
21     really have more than 5,000  
22     tablets at any time.

23                         They didn't define -- at  
24     that point in time, they didn't

1           define if it was an opioid or the  
2           type of chemical it was. They  
3           just basically said no pharmacy  
4           should have more than 5,000,  
5           unless there's reasons for it, and  
6           we would have to understand why we  
7           would give them more than 5,000.

8                       But as a rule of thumb, that  
9           they felt that we should not -- a  
10          common -- based on the industry, a  
11          pharmacy should not, probably,  
12          sell more than 5,000 tablets at  
13          any time, unless there was a  
14          reason for it, that we would have  
15          to investigate.

16       BY MR. PENNOCK:

17               Q.     Well, after having this  
18          discussion with the DEA -- by the way,  
19          you were personally part of that  
20          discussion, weren't you?

21               A.     Which discussion was it? We  
22          spoke with them a lot.

23               Q.     Whatever discussion you had  
24          where they provided you with this

1 guideline that you should probably not  
2 sell more than 5,000 tablets at any time,  
3 unless there was a reason for it.

4 A. I don't recall the exact  
5 time that that conversation happened, but  
6 you're in the right time frame. It was  
7 somewhere in there.

8 We spoke with them a lot.  
9 The DEA -- the local DEA was literally  
10 across the street from the Anda office.  
11 We communicated all the time, a lot.

12 But I don't remember that  
13 exact conversation. But at that point,  
14 it was 5,000 is what they discussed it  
15 would be, a rule of thumb for us to look  
16 at.

17 Q. And you took that rule of  
18 thumb very seriously, didn't you?

19 A. Yes.

20 Q. And you applied that to your  
21 practice, in terms of sales; isn't that  
22 right?

23 A. Yes.

24 Q. And the reason that you



1 applied it to your practice, in terms of  
2 sales, was because you understood that  
3 there was -- there appeared to be a  
4 problem regarding the diversion of  
5 opioids, right?

6 A. Yes.

7 Q. And at that time, was that a  
8 concern of yours, to take steps to avoid  
9 the diversion of opioids?

10 A. Yes.

11 Q. Now, you mentioned that if  
12 some customer wanted more than 5,000,  
13 that, then, you would investigate, true?

14 A. Yes.

15 Q. And what was the nature of  
16 that investigation?

17 A. If we are talking about the  
18 2006, '07 time frame, then they would  
19 have a questionnaire. We understand who  
20 they sold to. We would look at exactly  
21 what we sold to them, too, ourselves, and  
22 look at what their mix was.

23 Then we would try to also  
24 get a dispensing record from them of what

1     they're dispensing so we could find out  
2     where else they're buying opioids from.  
3     Because the DEA would not share that  
4     information with us.

5             Q.     When you -- if you received  
6     an order for, let's say, 10,000 units,  
7     would you report that to the DEA if you  
8     didn't agree to fulfill that order?

9             MS. KOSKI:   Object to form.

10            THE WITNESS:   We did -- our  
11            goal was to do the due diligence  
12            on the front end to not even allow  
13            a person to place an order for  
14            that.

15            So they knew what their --  
16            their limits that they could  
17            possibly have.   If they tried to  
18            place an order, which they didn't,  
19            if they tried to place an order,  
20            we would have identified the DEA  
21            that they wanted more than the  
22            5,000 limit.

23            But if they -- but we would  
24            try to proactively not allow --

1           proactively tell our customers  
2           that this is all you're going to  
3           get. And if there's a reason that  
4           your facility needs more than  
5           5,000, then you're going to have  
6           to, you know, give us more due  
7           diligence in order for us to  
8           approve that.

9                               -   -   -

10                           (Whereupon, Anda-Paonessa  
11           Exhibit-3,  
12           Anda\_Opioids\_MDL\_0000078211-212,  
13           was marked for identification.)

14                           -   -   -

15   BY MR. PENNOCK:

16           Q.       I'm going to show you what's  
17   been marked as Exhibit-3 to your  
18   deposition.

19                       MR. PENNOCK: For the  
20           record, I did not identify it,  
21           Exhibit-2 was Anda\_Opioids\_MDL,  
22           Bates number 0000618121.

23                       Exhibit-3 is same prefix,  
24           0000078211.

1 THE WITNESS: Okay.

2 BY MR. PENNOCK:

3

4

5

6

7 Q. And Michael Cochrane, he was  
8 somebody that worked for you, right?

9 A. Yes.

10 Q. And he was involved in -- or  
11 he was responsible for compliance; is  
12 that right?

13 A. Yes.

14 Q. And Patrick Cochrane also  
15 worked for you, right?

16 A. Yes.

17 Q. And he also -- you consulted  
18 him with respect to compliance as well on  
19 occasion, right?

20 A. Yes.

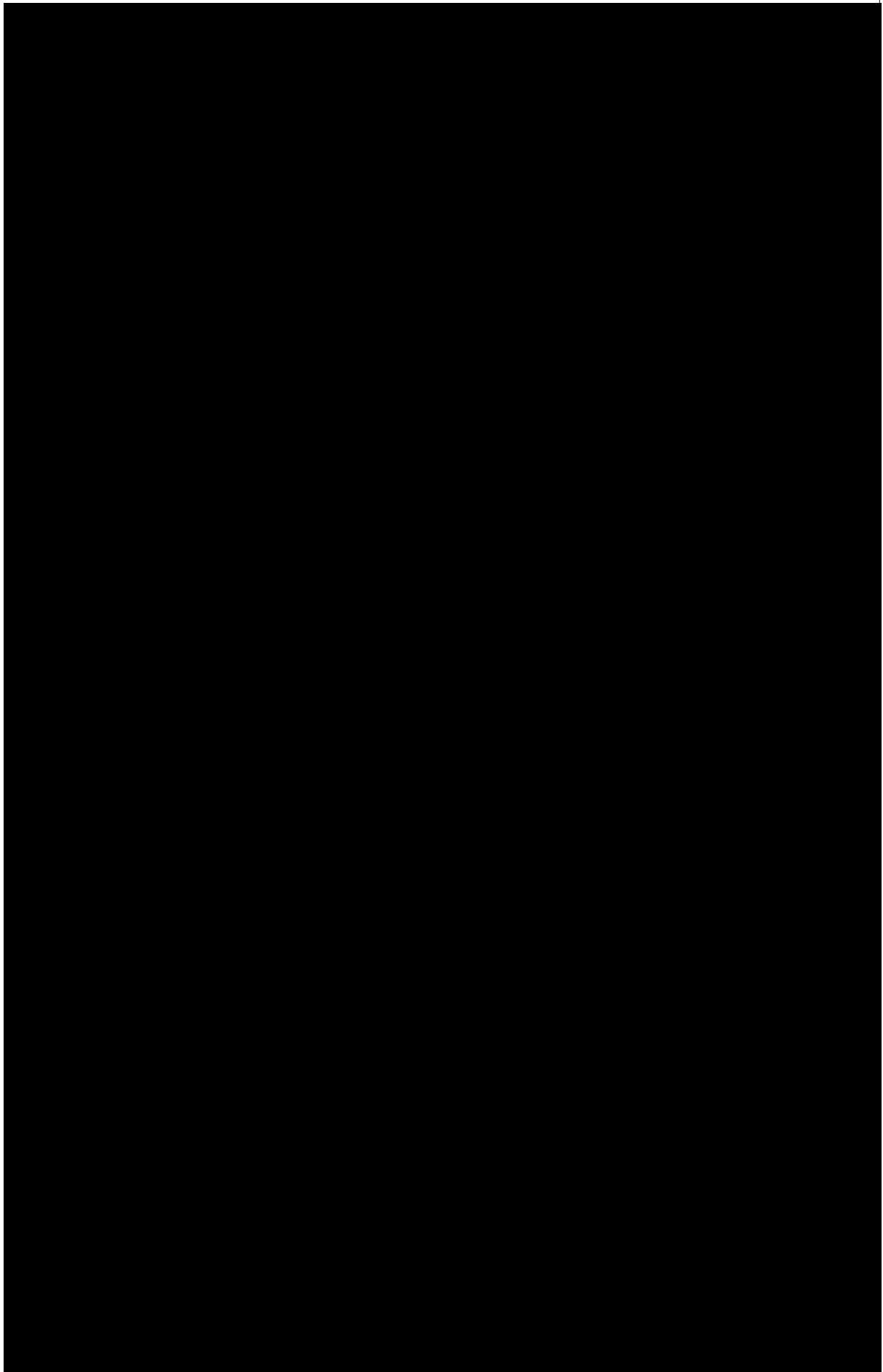
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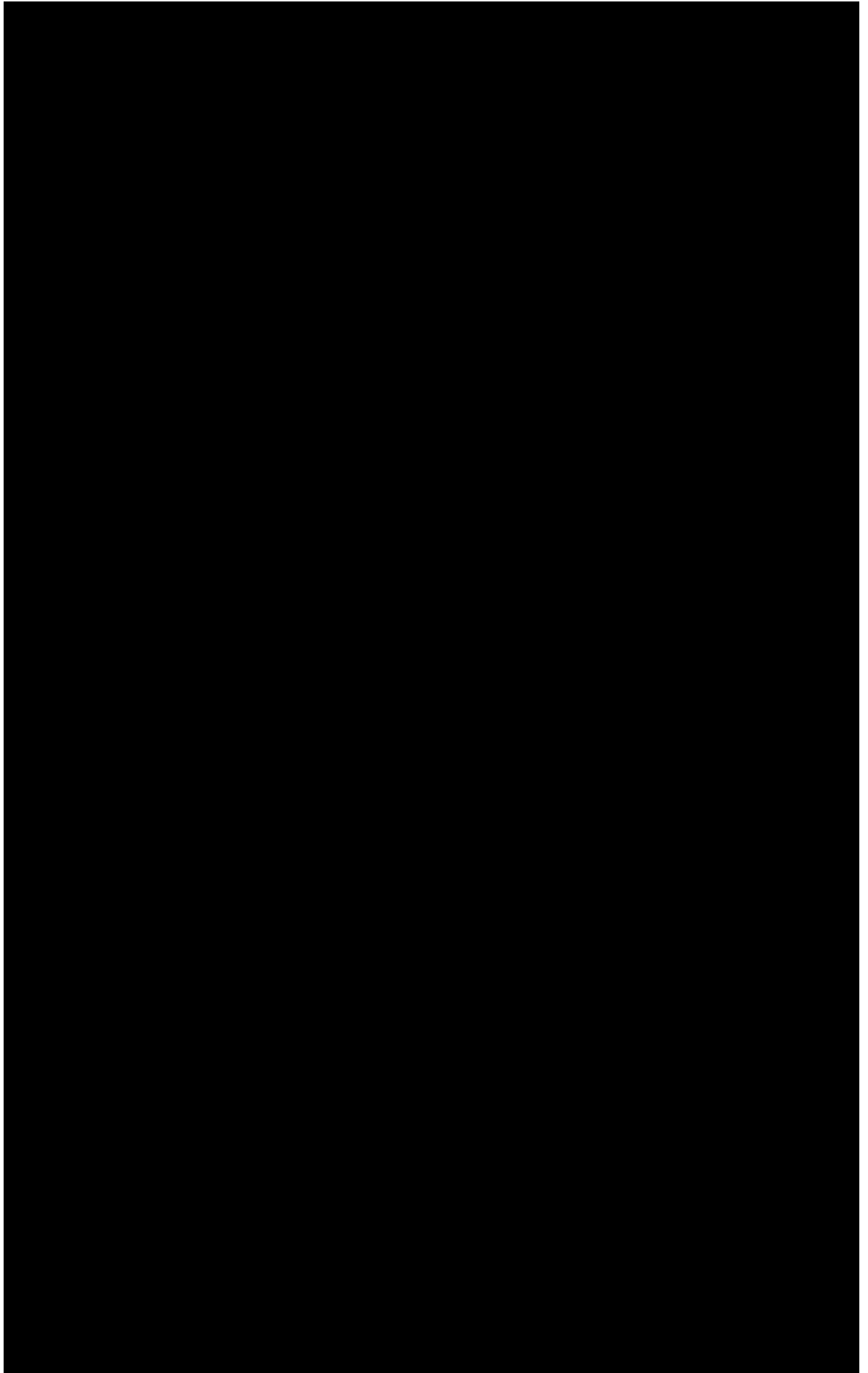
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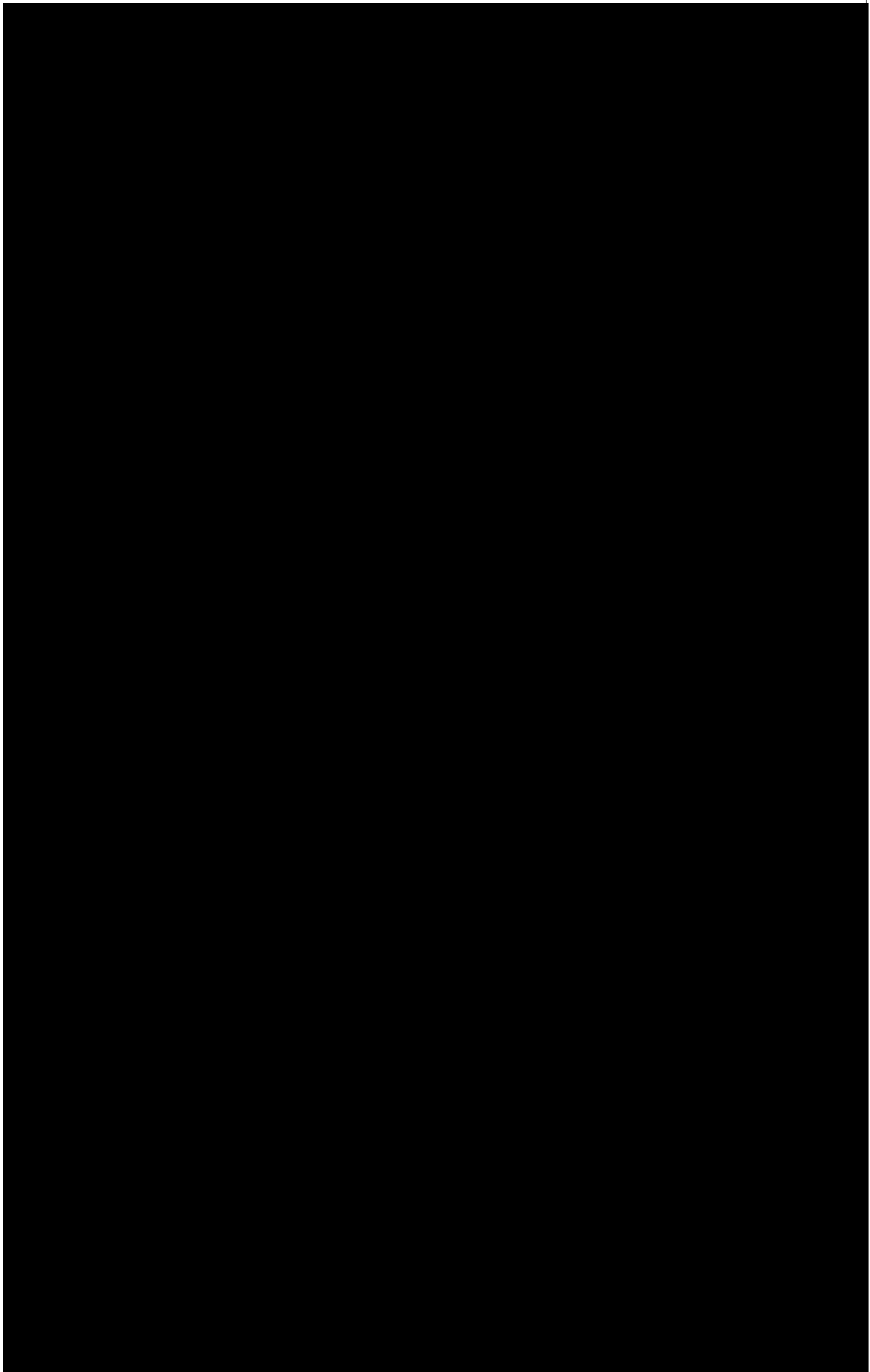
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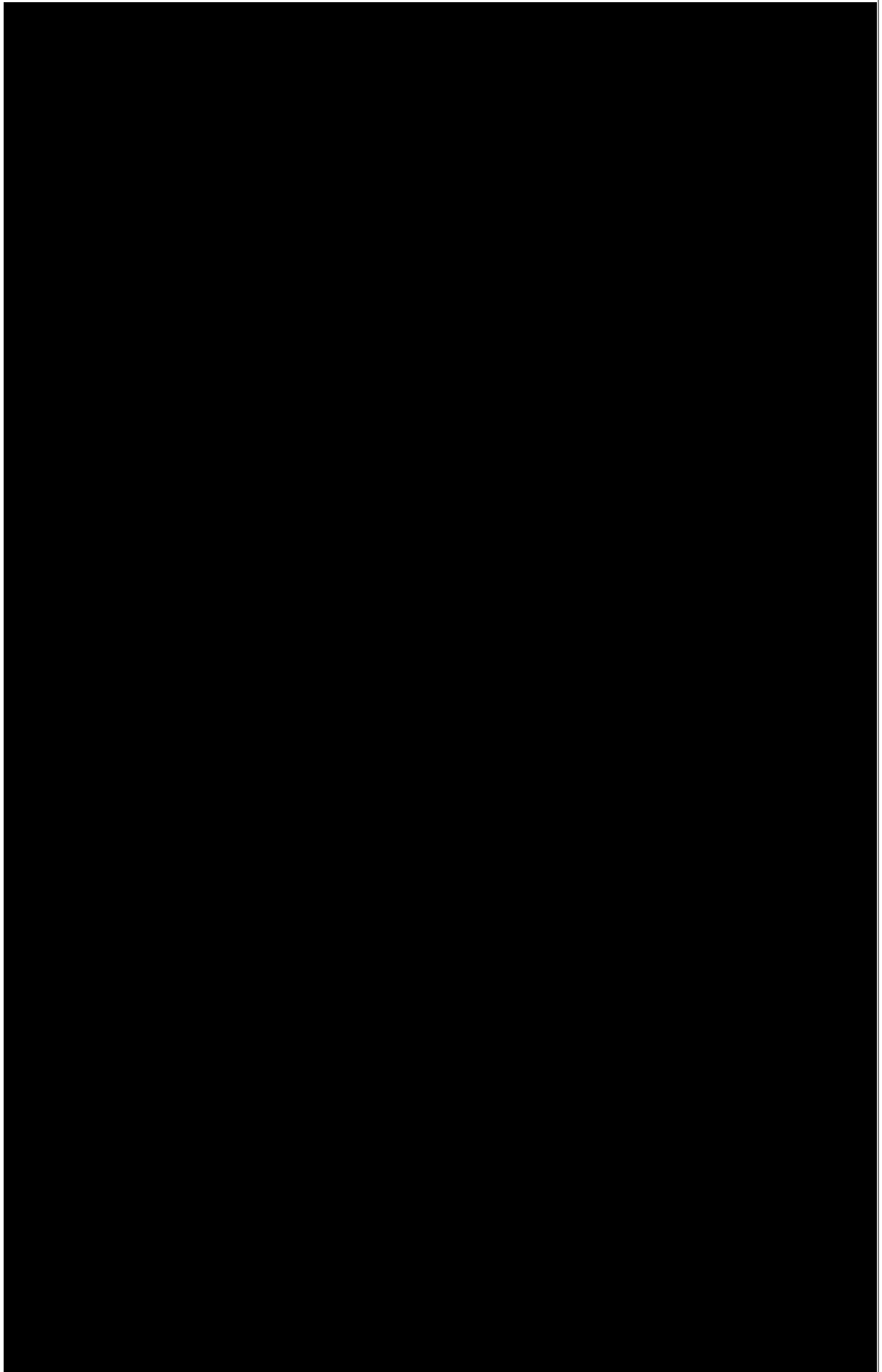
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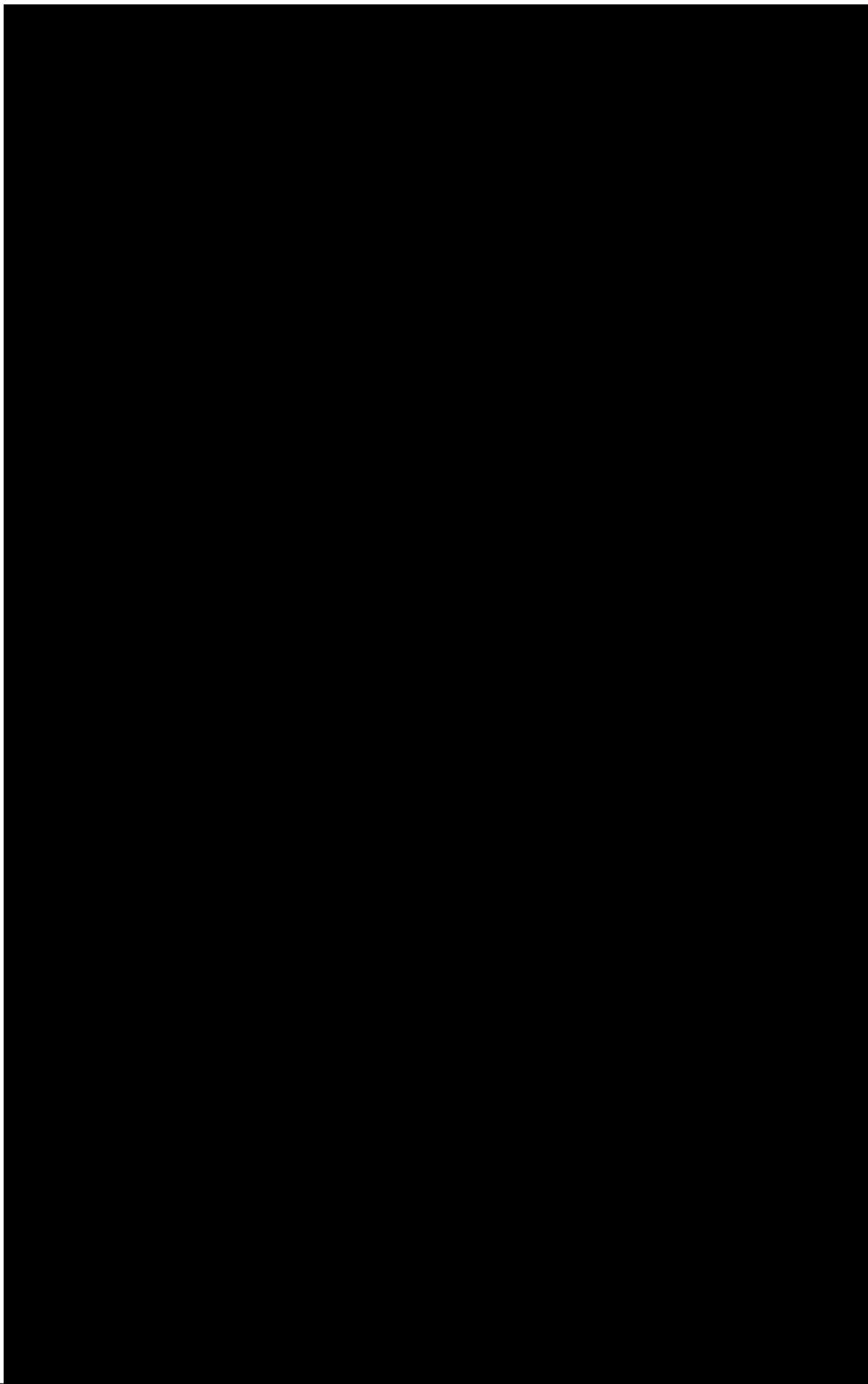


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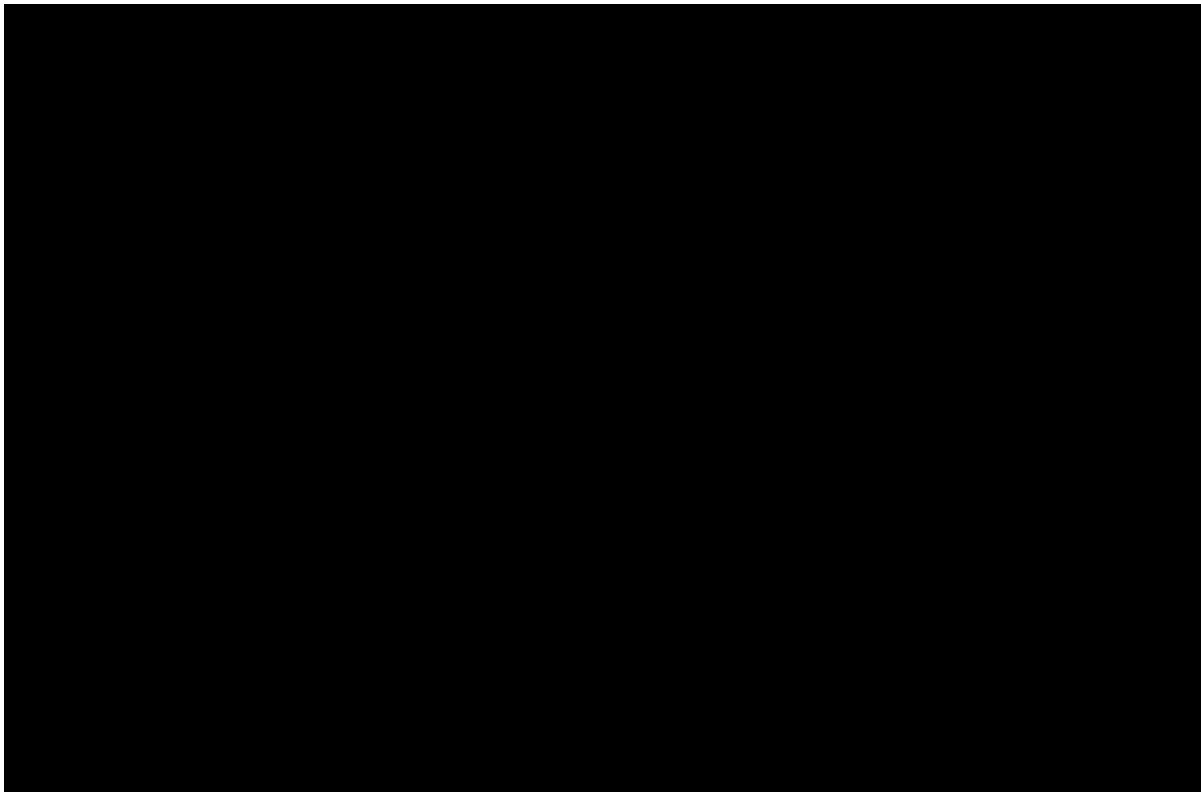




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MR. PENNOCK: Oh, I didn't

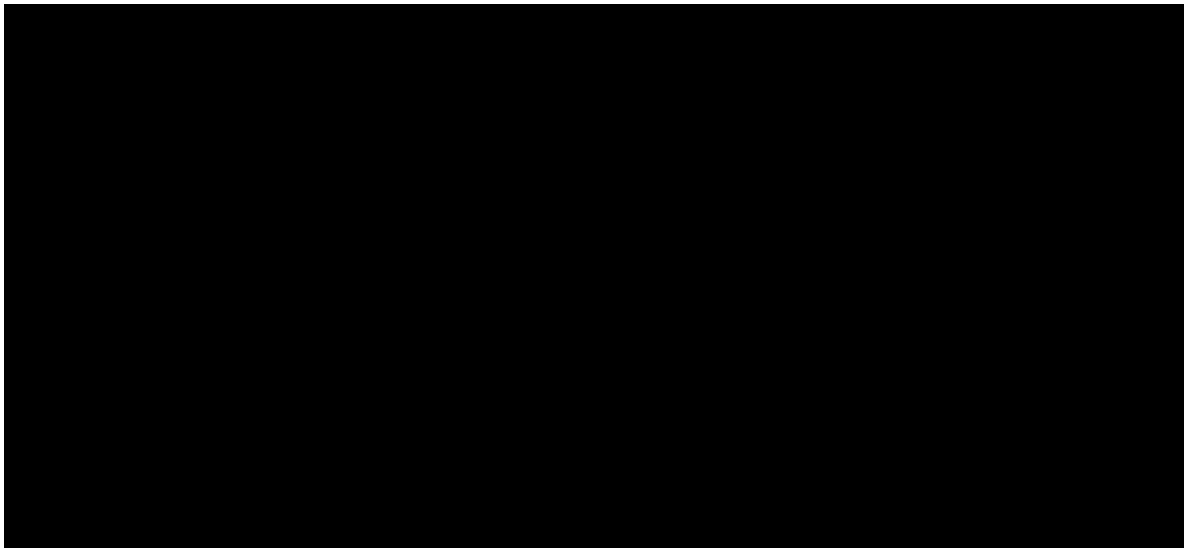
pick up on that. I apologize.

Let me -- let me check that.

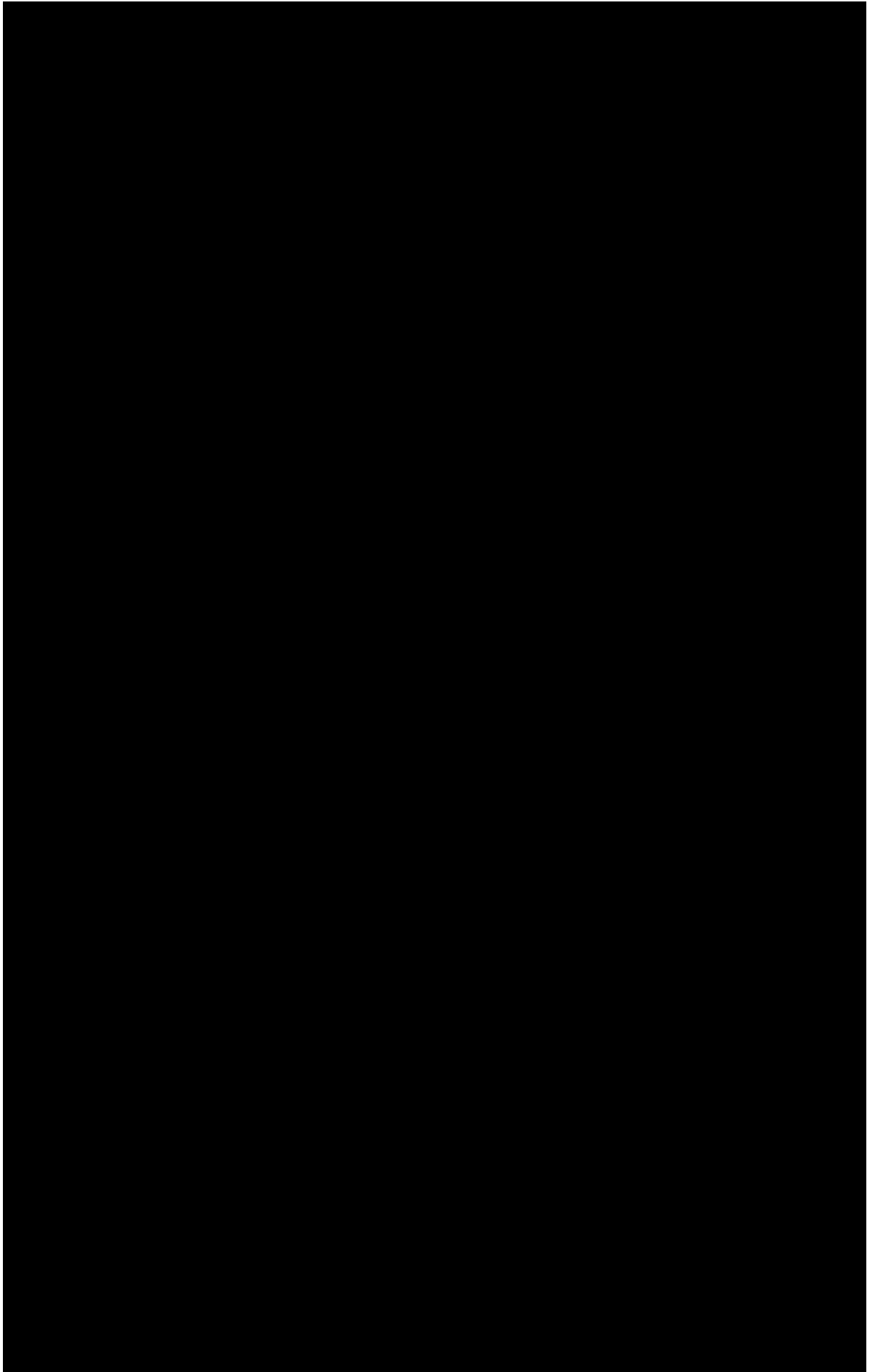
BY MR. PENNOCK:

Q. Who is George Fields?

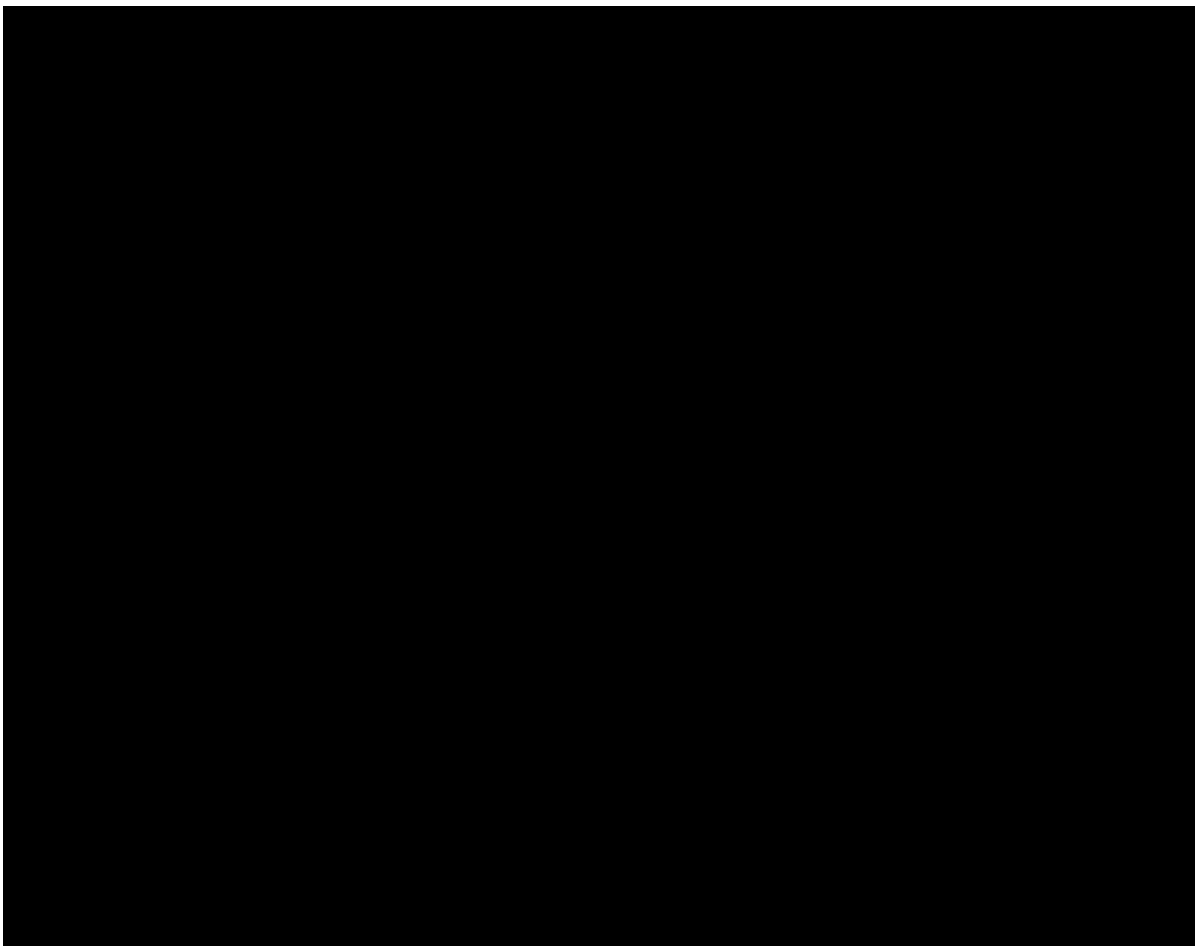
A. George Fields, in 2007,  
would have been director of sales.



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Q. So if a customer placed an  
order -- withdrawn.

If a customer requested to  
place an order with you that was  
increasing their limits and you declined  
it, then you would report it to the DEA,  
right?

MS. KOSKI: Object to form.

THE WITNESS: Well, it would  
not be an order. They would  
request for a limit increase.

If they wanted a limit

1           increase, we would do the due  
2           diligence on the customer. So  
3           this was always a contention with  
4           the DEA, that we said, we won't  
5           allow people to order, we've put  
6           systems in, they can't order more  
7           than they're allowed to have.

8                     And we trained them, if you  
9           want more, you need to give us  
10          information. And the  
11          information -- you're talking in  
12          2007 and '08. It changed again in  
13          2010, '12. It changed again,  
14          probably, before I left Anda.

15                    So it was constantly us  
16          trying to figure out exactly --  
17          you know, part of my opinion of  
18          the DEA was they wanted us to work  
19          extra hard on this, and I agree  
20          with that opinion of theirs, but  
21          they never gave us really solid  
22          guidelines of what to go on and  
23          what to do.

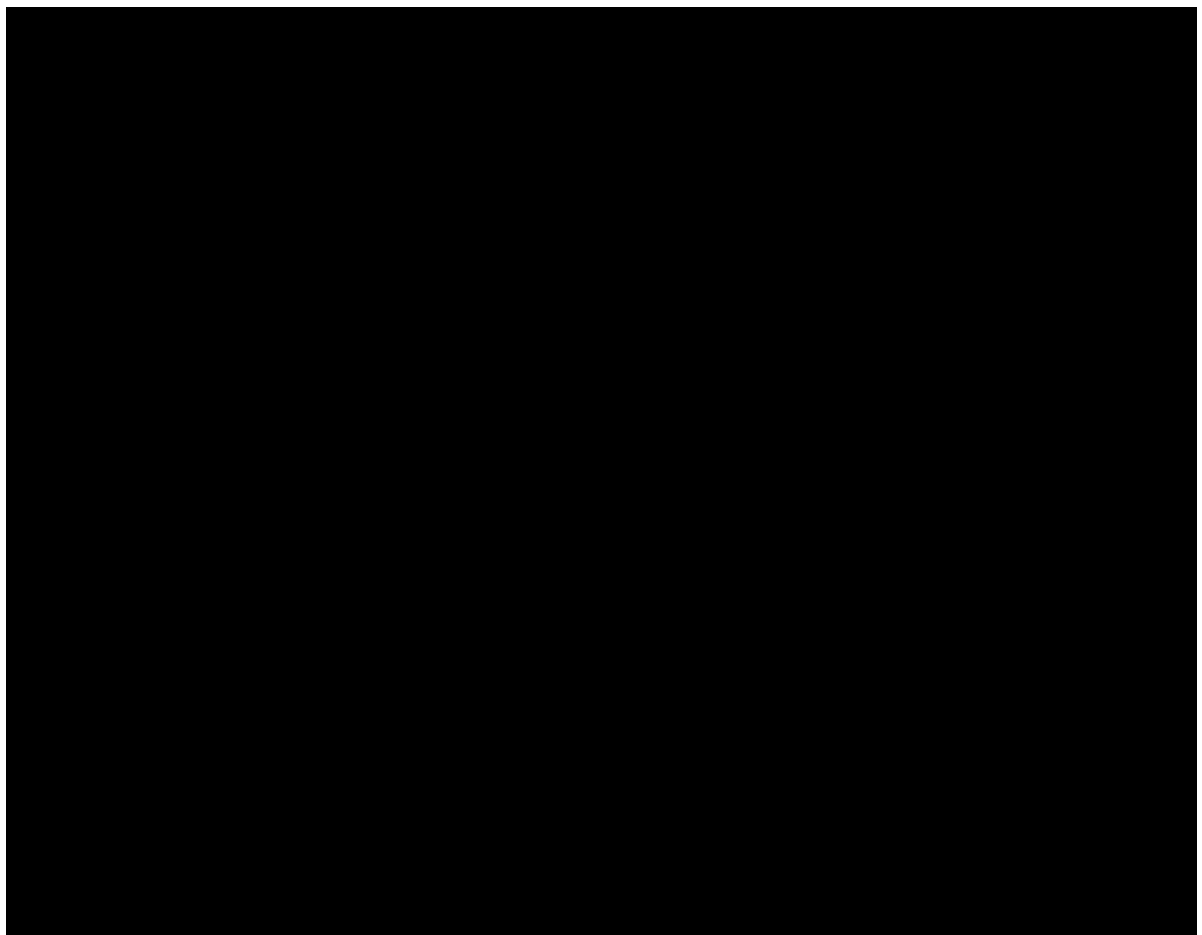
24                    So we would do everything we

1           can to try to figure out, you  
2           know, what this -- if this  
3           customer was a good customer or a  
4           bad customer when it came to  
5           opioids.

6                       So, most likely, an order  
7           never came through for -- from an  
8           independent pharmacy, because we  
9           didn't allow them to order and we  
10          either turned them over to the DEA  
11          or we gave them the increase.

12       BY MR. PENNOCK:

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1 BY MR. PENNOCK:

2 Q. Okay. Let me see if I can  
3 understand this, though.

4 You mentioned several times  
5 the -- looking at and not agreeing to  
6 fulfill an order from an independent  
7 pharmacy.

8 But I -- is it correct that  
9 you had a different standard for  
10 distributors?

11 MS. KOSKI: Object to form.

12 THE WITNESS: Possibly. I  
13 don't recall.

14 BY MR. PENNOCK:

15 Q. You would agree with me that  
16 an order -- withdrawn.

17 You would agree, wouldn't  
18 you, that selling 75,000 units of an  
19 opioid to a pharmacy per month was a very  
20 high order?

21 MS. KOSKI: Object to form.

22 THE WITNESS: It would be  
23 unique.

24 BY MR. PENNOCK:

1 Q. Have you seen documents  
2 relating to Lake Erie Medical?

3 A. Yes.

4 Q. Do you know who Lake Erie  
5 Medical is?

6 A. Yes.

7 Q. Who is Lake Erie Medical?

8 A. They are a repackaging  
9 company out of Erie, Pennsylvania.

10 Q. What does that mean, a  
11 repackaging company?

12 A. This particular company  
13 would take different pharmaceuticals in  
14 bottles and they would break them down  
15 into tablets -- into unit of use type of  
16 tablets for nursing homes, hospitals,  
17 blister packs, a unit of use may be 28  
18 pills or 10 pills, and then put it into  
19 their own NDC number. And then it would  
20 be sold -- resold to whoever the  
21 pharmacies were that they had accounts  
22 with.

23 Q. You said that -- you were  
24 referring to Lake Erie Medical in Erie,



1     Pennsylvania?

2             A.     I believe that's where  
3     they're from.

4             Q.     Do you know of a Lake Erie  
5     Medical in Toledo, Ohio?

6             A.     No, I don't recognize that.  
7     I don't remember that. I thought they  
8     were in Erie, Pennsylvania.

9                     They came and visited us --  
10    I don't remember. And we visited them,  
11    too. But I didn't go on the trip to  
12    visit them.

13                    -   -   -

14                    (Whereupon, Anda-Paonessa  
15           Exhibit-4,  
16           Anda\_Opioids\_MDL\_0000276293-299,  
17           was marked for identification.)

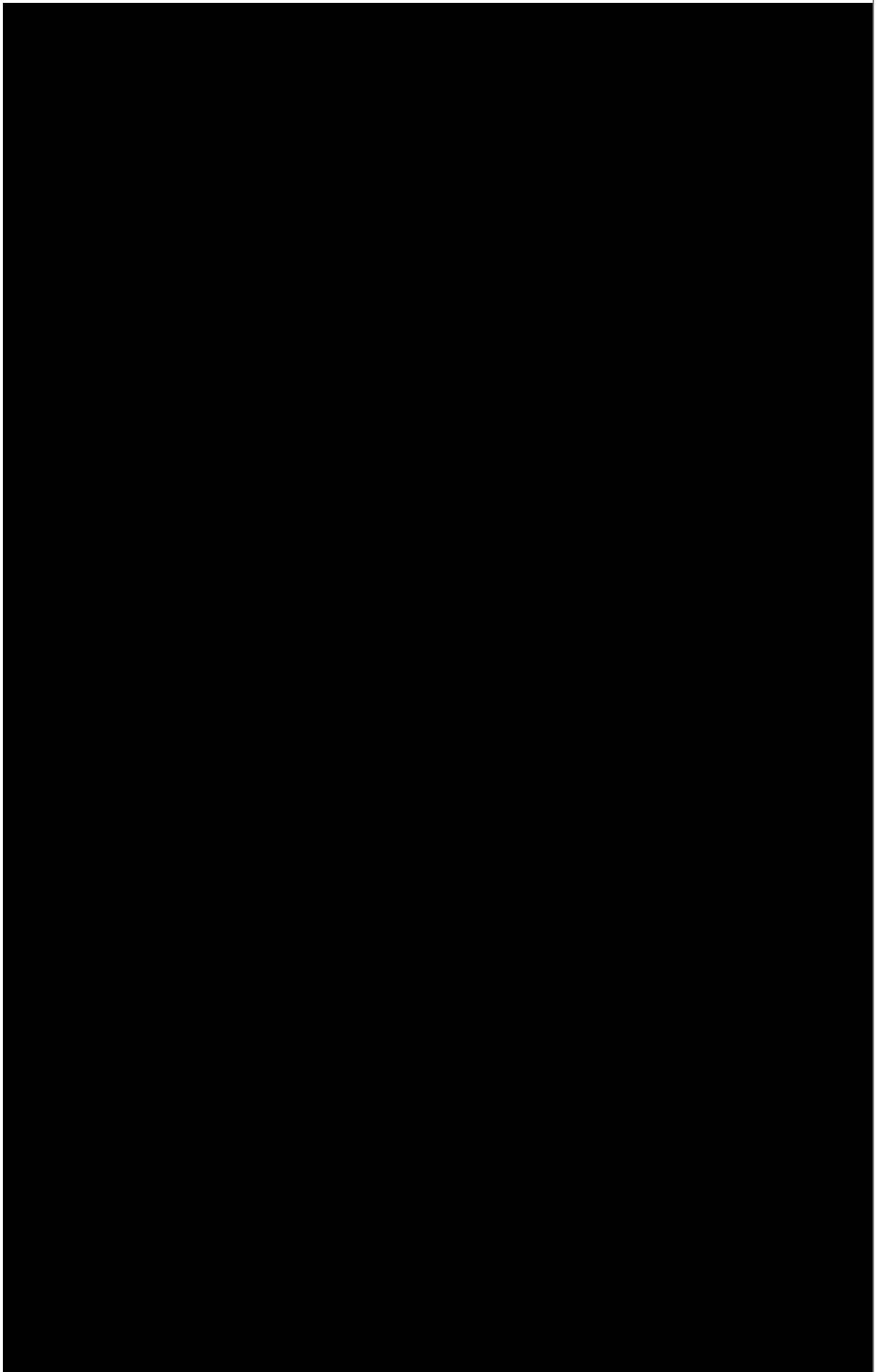
18                    -   -   -

19    BY MR. PENNOCK:

20             Q.     Let me show you what's been  
21     marked as Exhibit-4 now to your  
22     deposition, bearing Bates number  
23     0000276293.

24             A.     Okay.

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Q. He was in charge, we

6

mentioned earlier, of compliance, right?

7

A. Correct.

8

Q. Meaning compliance with

9

these regulations and laws concerning the

10

distribution and the sale of opioids --

11

MS. KOSKI: Objection.

12

BY MR. PENNOCK:

13

Q. -- as well as other

14

compliance, right?

15

MS. KOSKI: Object to form.

16

THE WITNESS: Yes.

17

BY MR. PENNOCK:

18

Q. Now, this someone -- Jeannie

19

Sieren, do you know who she is?

20

A. No.

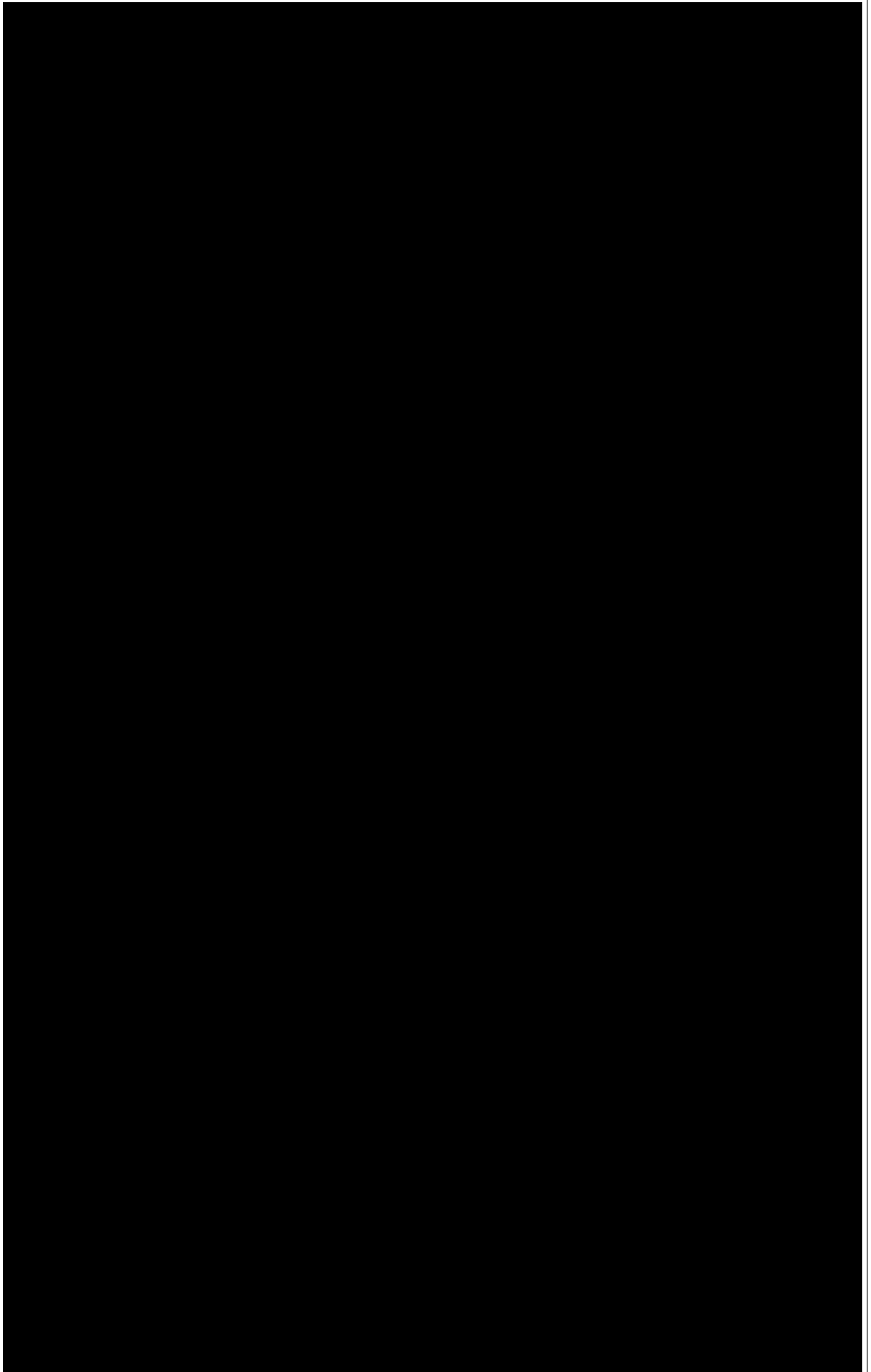
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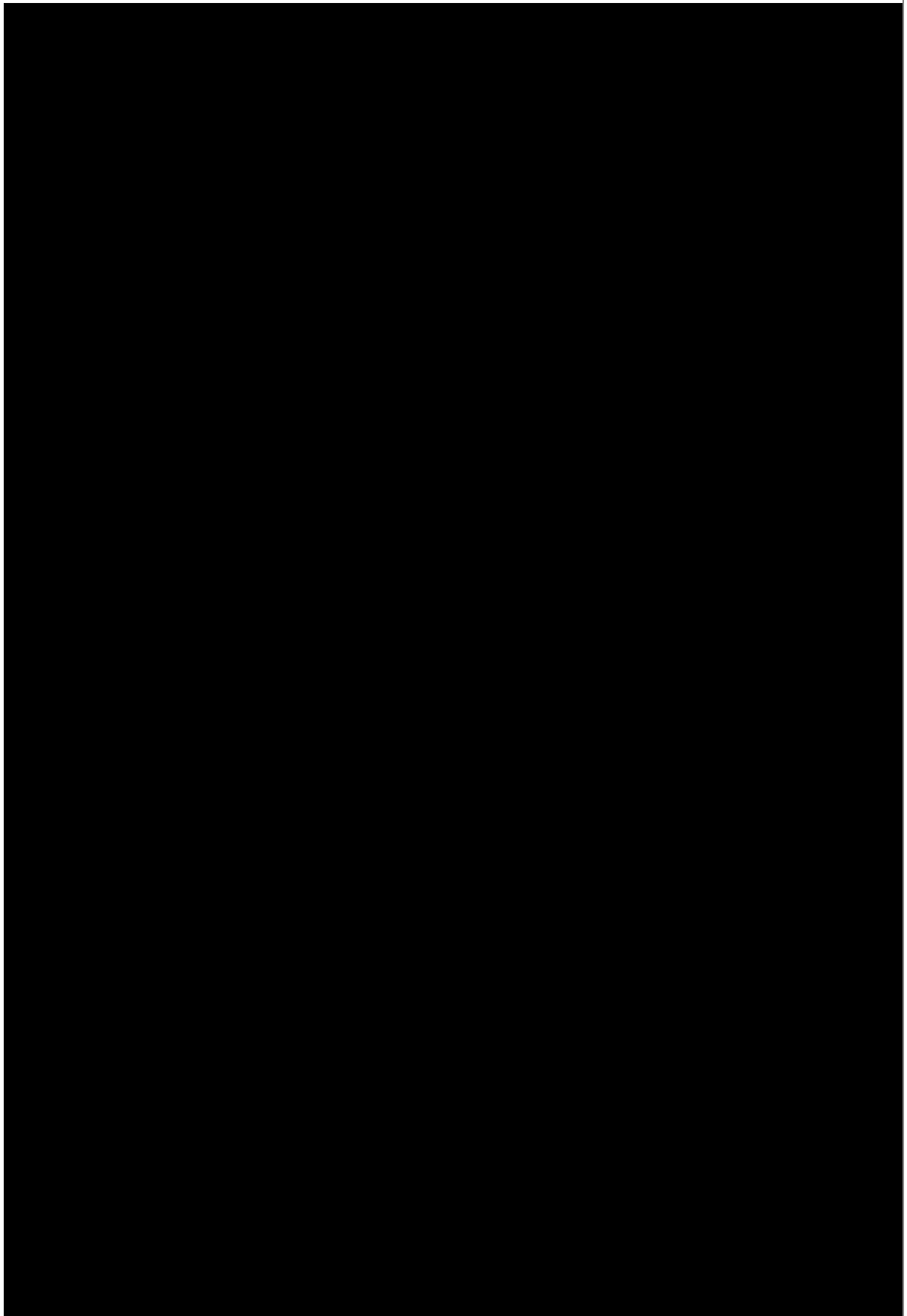
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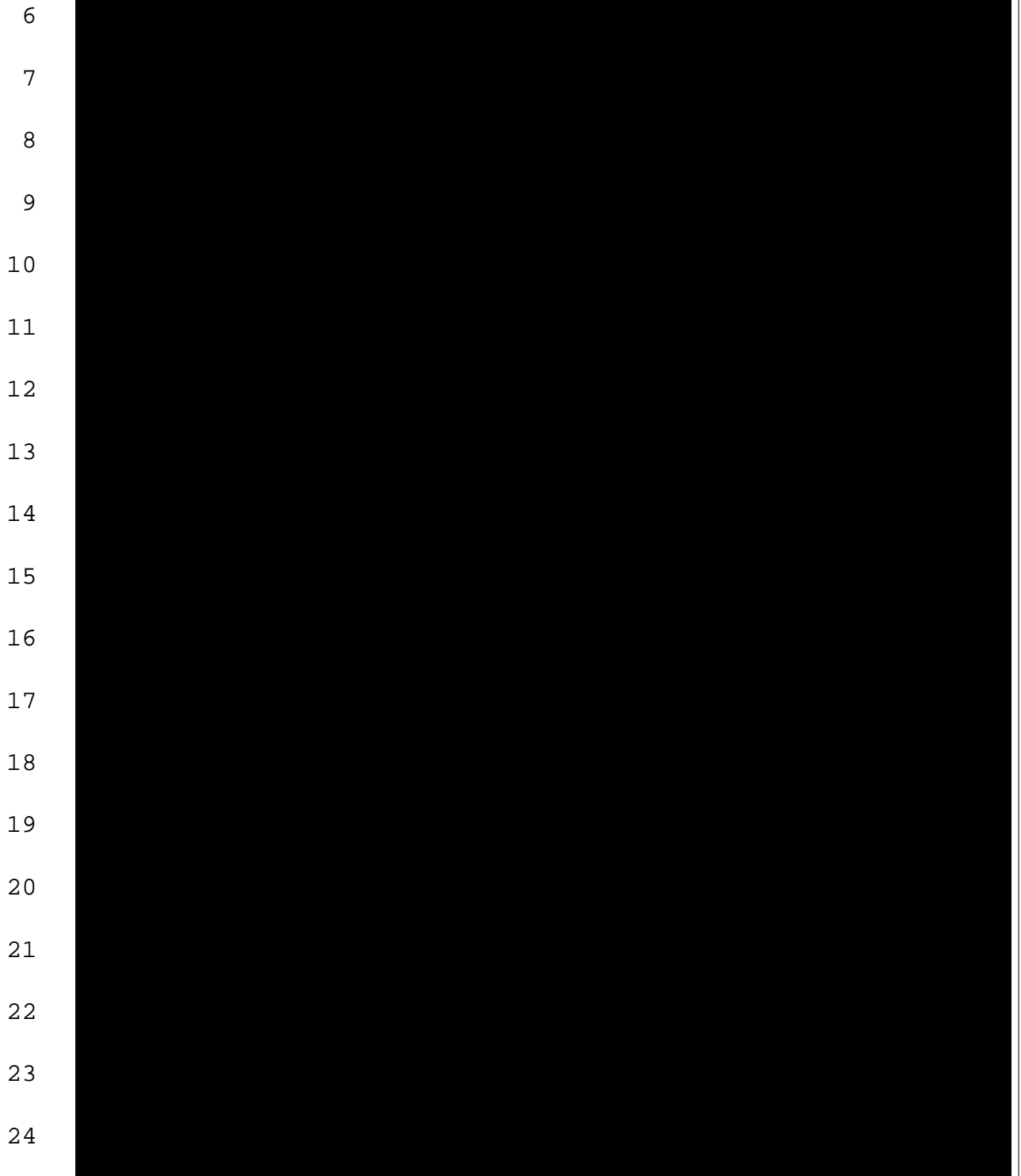
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(Whereupon, Anda-Paonessa

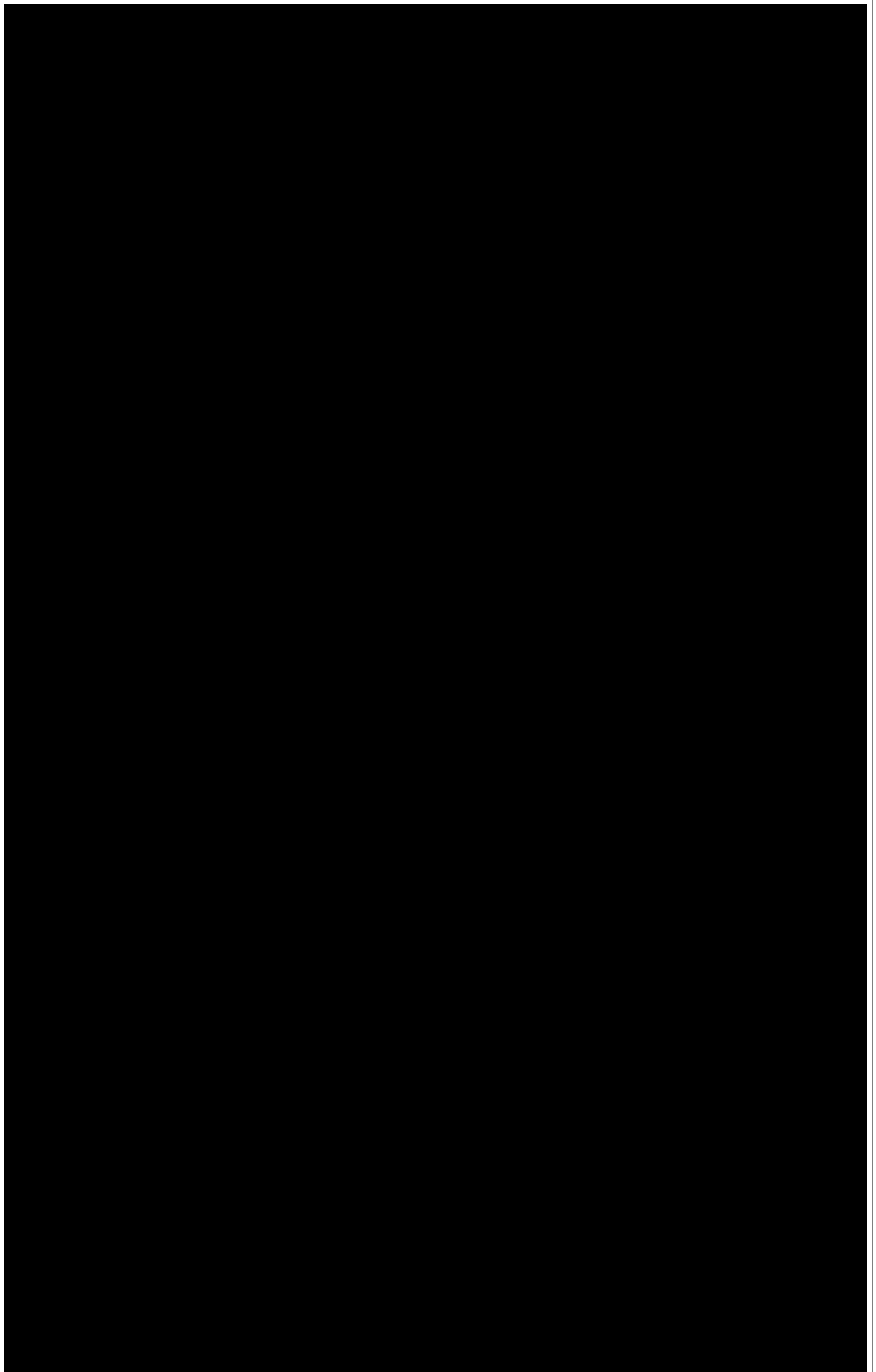
1                   Exhibit-5,  
2                   Anda\_Opioids\_MDL\_0000282942, was  
3                   marked for identification.)

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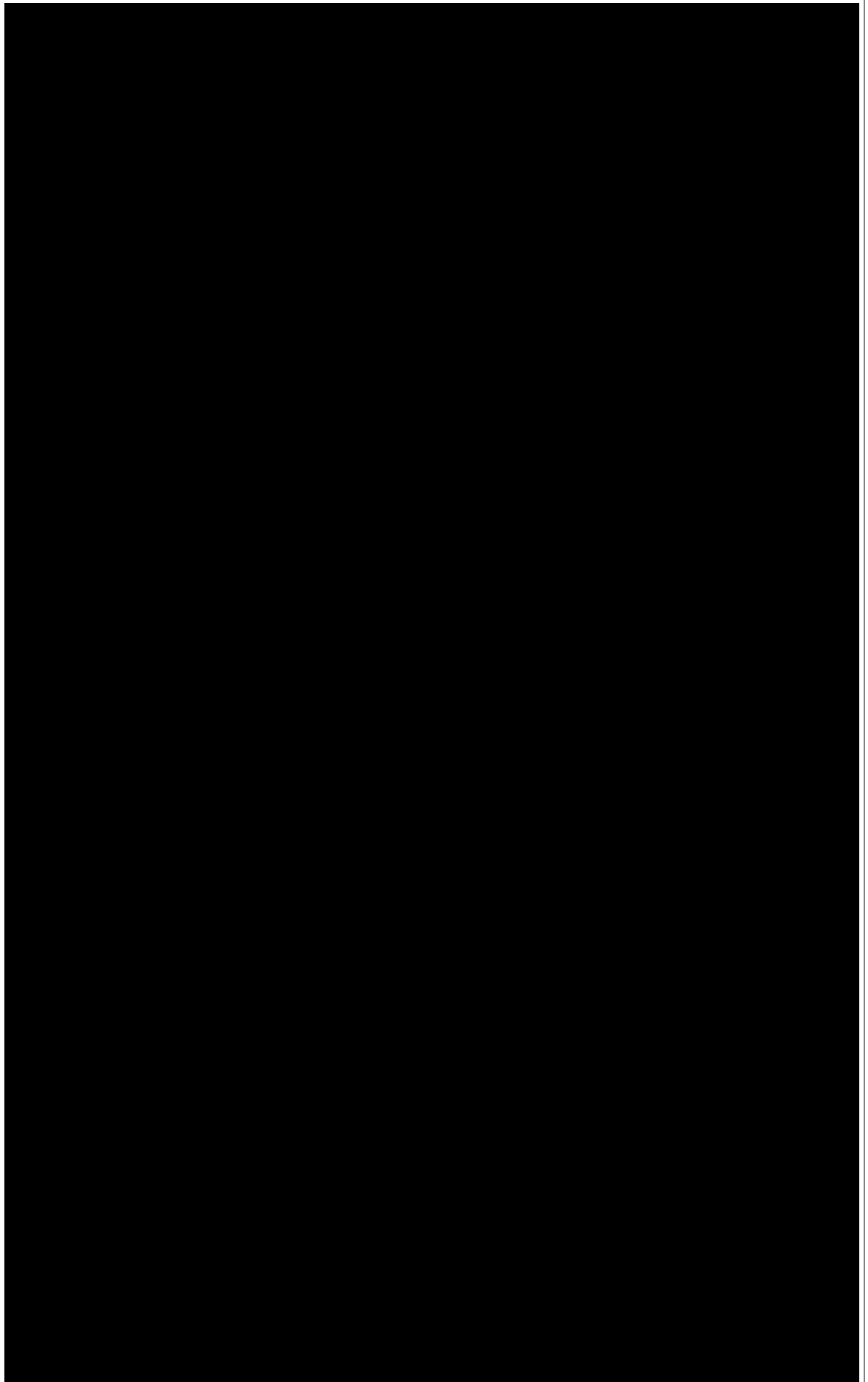
5       BY MR. PENNOCK:



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8 BY MR. PENNOCK:

9 Q. Do you know where any of  
10 that documentation is?

11 A. It would be in the Anda  
12 compliance department.

13 Q. It should be in the Anda  
14 compliance files, right?

15 A. I would assume so, yes.

16 Q. Right. You never directed  
17 anyone to destroy any documents --

18 A. Never.

19 Q. -- did you?

20 A. Never.

21 Q. You never directed anyone to  
22 destroy any e-mails?

23 A. Never.

24 Q. You have -- did you ever

1 learn that there was any destruction of  
2 documents concerning opioids at Anda?

3 A. Never.

4 Q. Since -- even since you  
5 left, have you heard any rumor of that?

6 A. Never.

7 Q. Sir, I'm showing you what's  
8 been marked as Exhibit-6 to your  
9 deposition. And it's 0000273685.

10 - - -

11 (Whereupon, Anda-Paonessa  
12 Exhibit-6,  
13 Anda\_Opioids\_MDL\_0000273585-586,  
14 was marked for identification.)

15 - - -

16 MS. KOSKI: The exhibit that  
17 you gave the witness seems to be  
18 more pages than the one that you  
19 gave me.

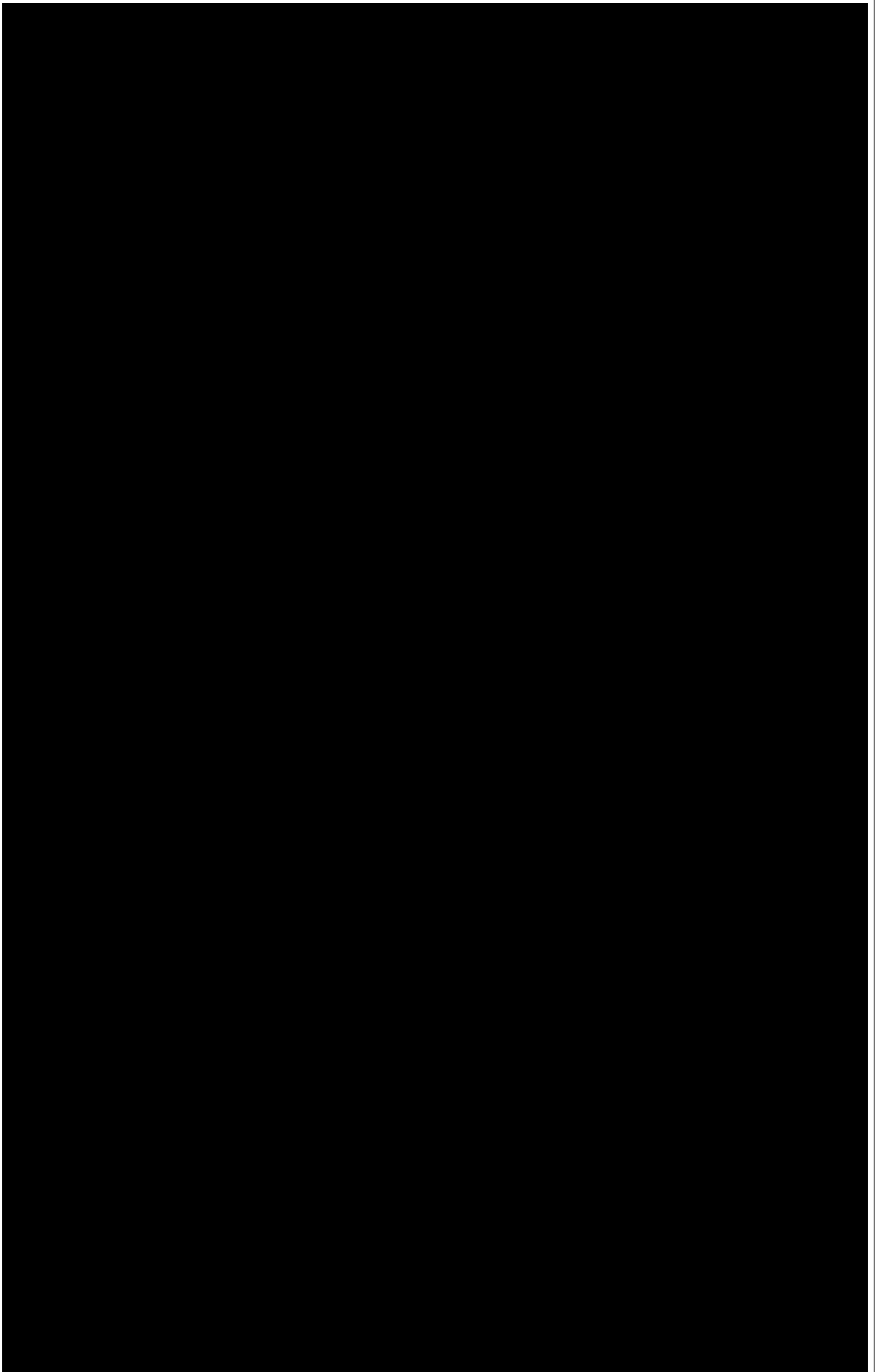
20 Oh, you just gave him more  
21 than one copy.

22 MR. PENNOCK: Sorry.

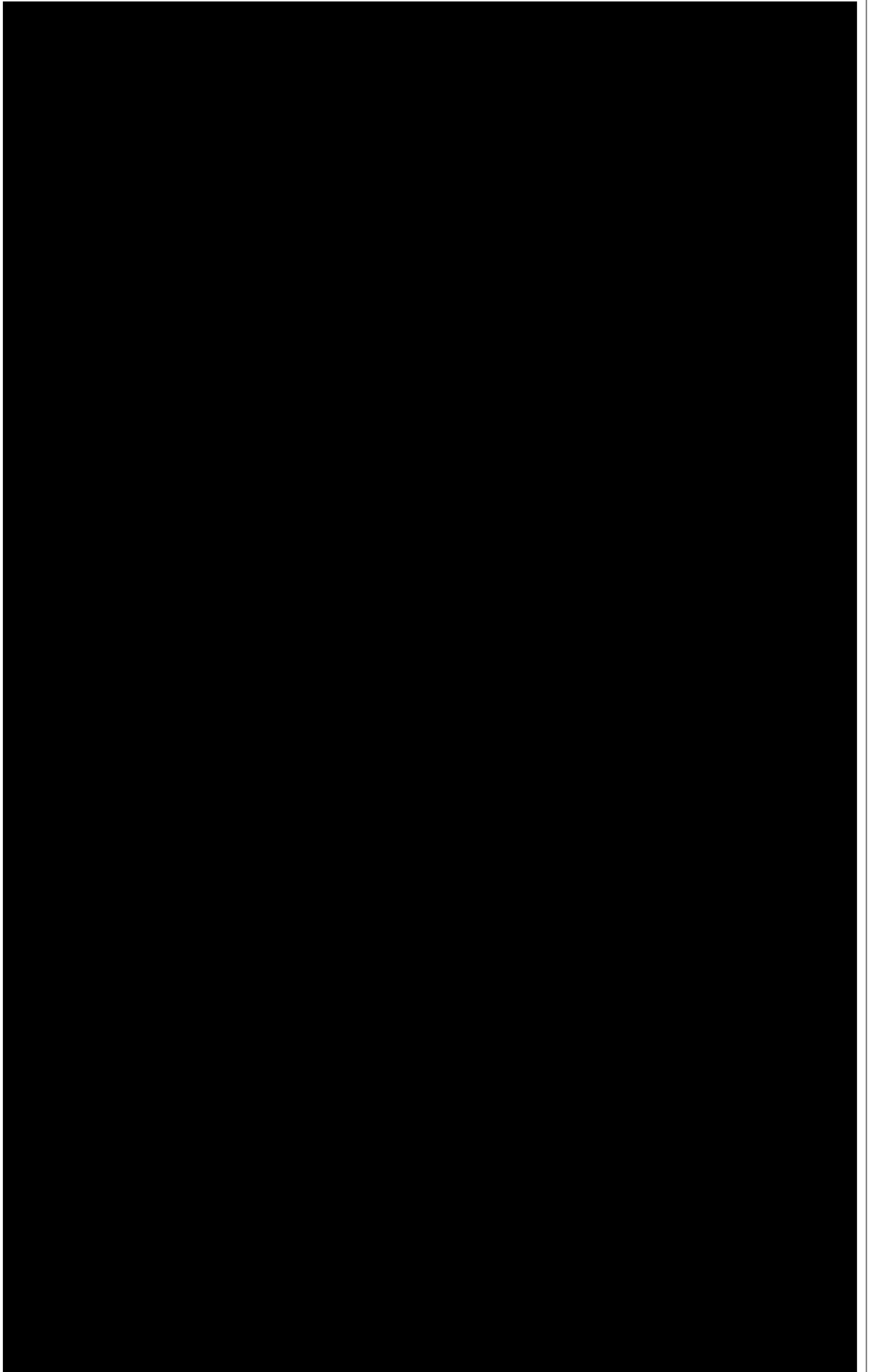
23 BY MR. PENNOCK:

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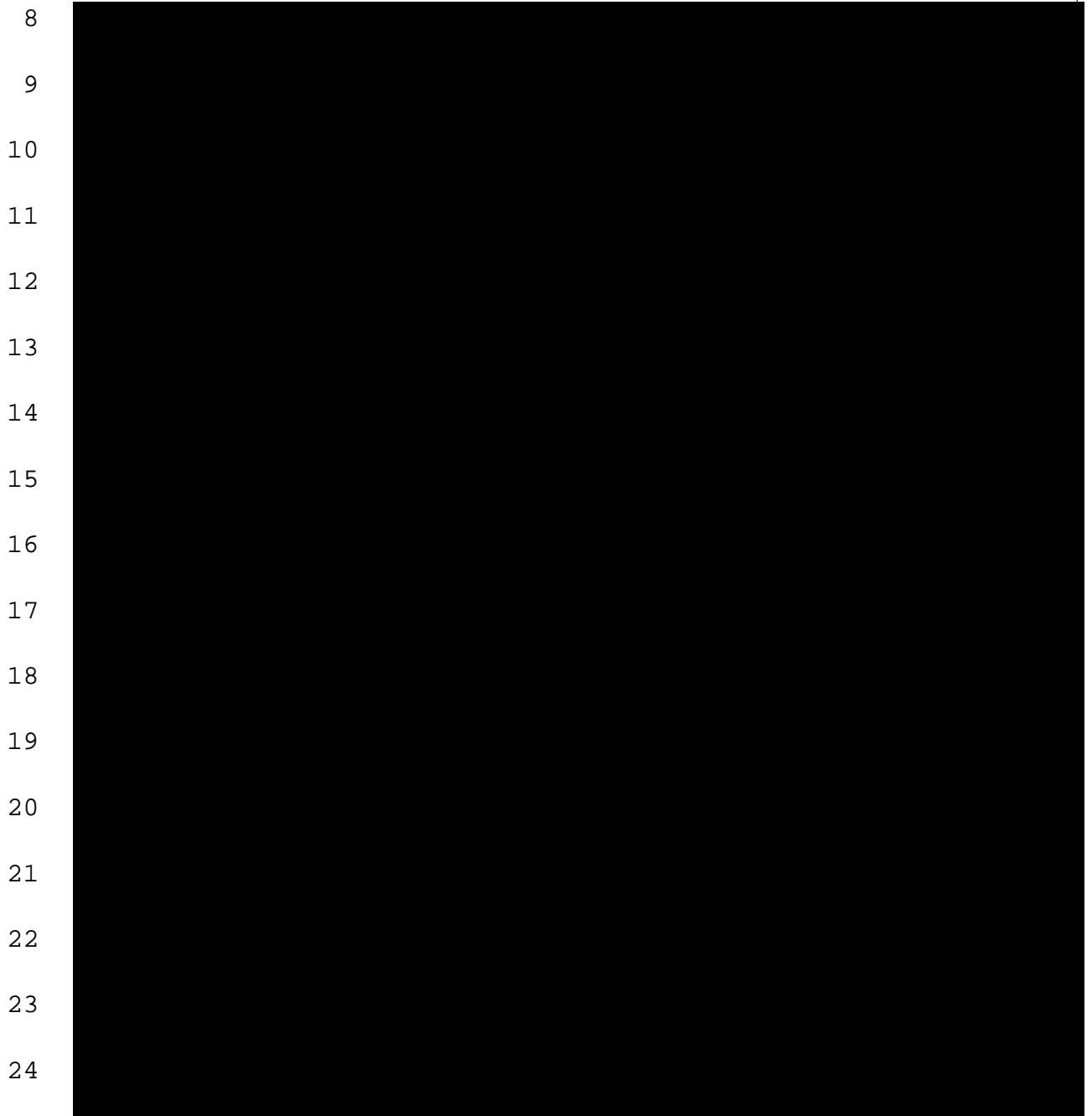
22 BY MR. PENNOCK:

23 Q. You knew people were dying  
24 from opioids at that time, didn't you?

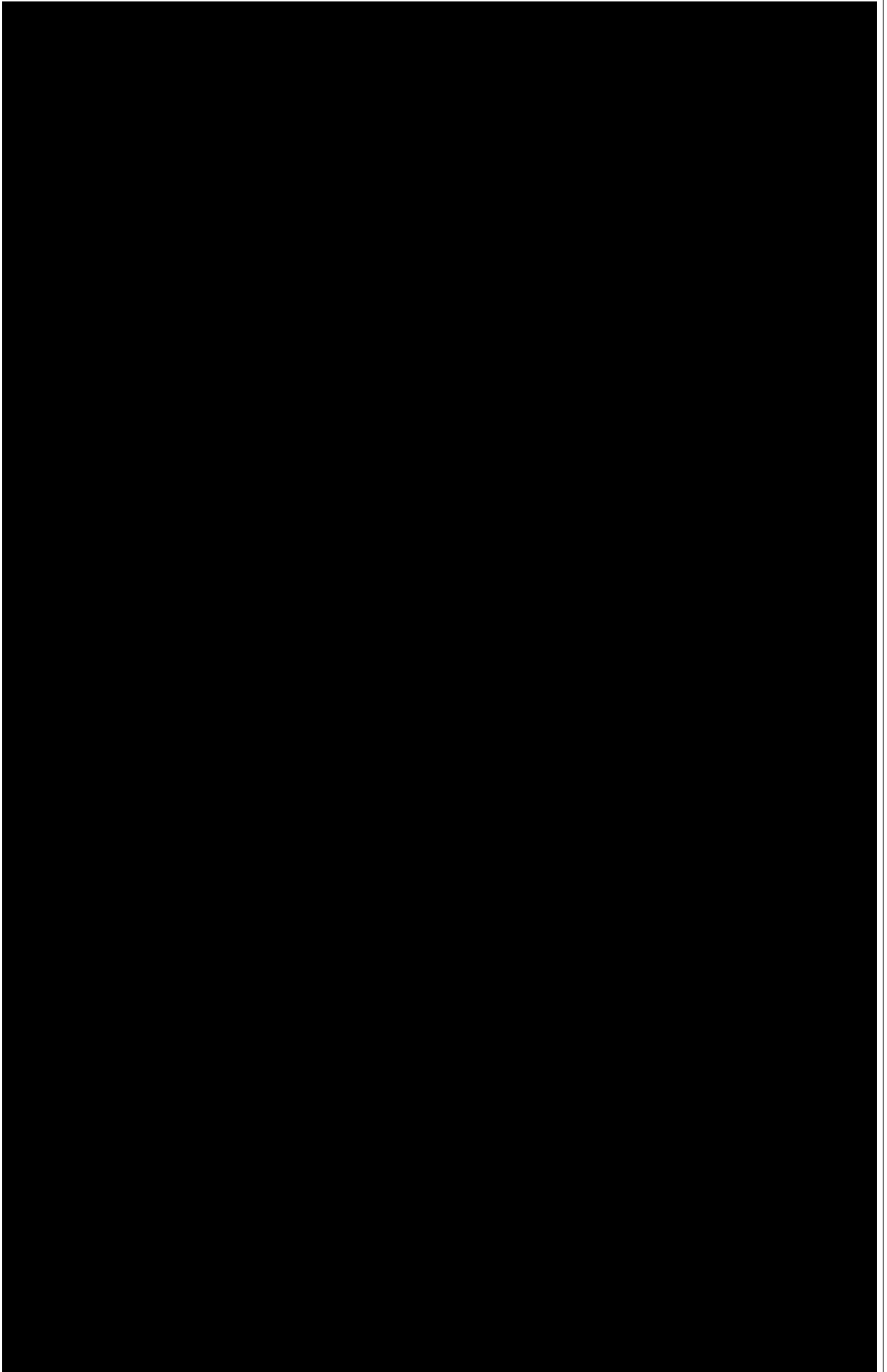
1 MS. KOSKI: Object to form.

2 THE WITNESS: I would assume  
3 they did. But I don't -- you  
4 know, I don't believe that, at  
5 that period of time, it was like  
6 what we currently see today.

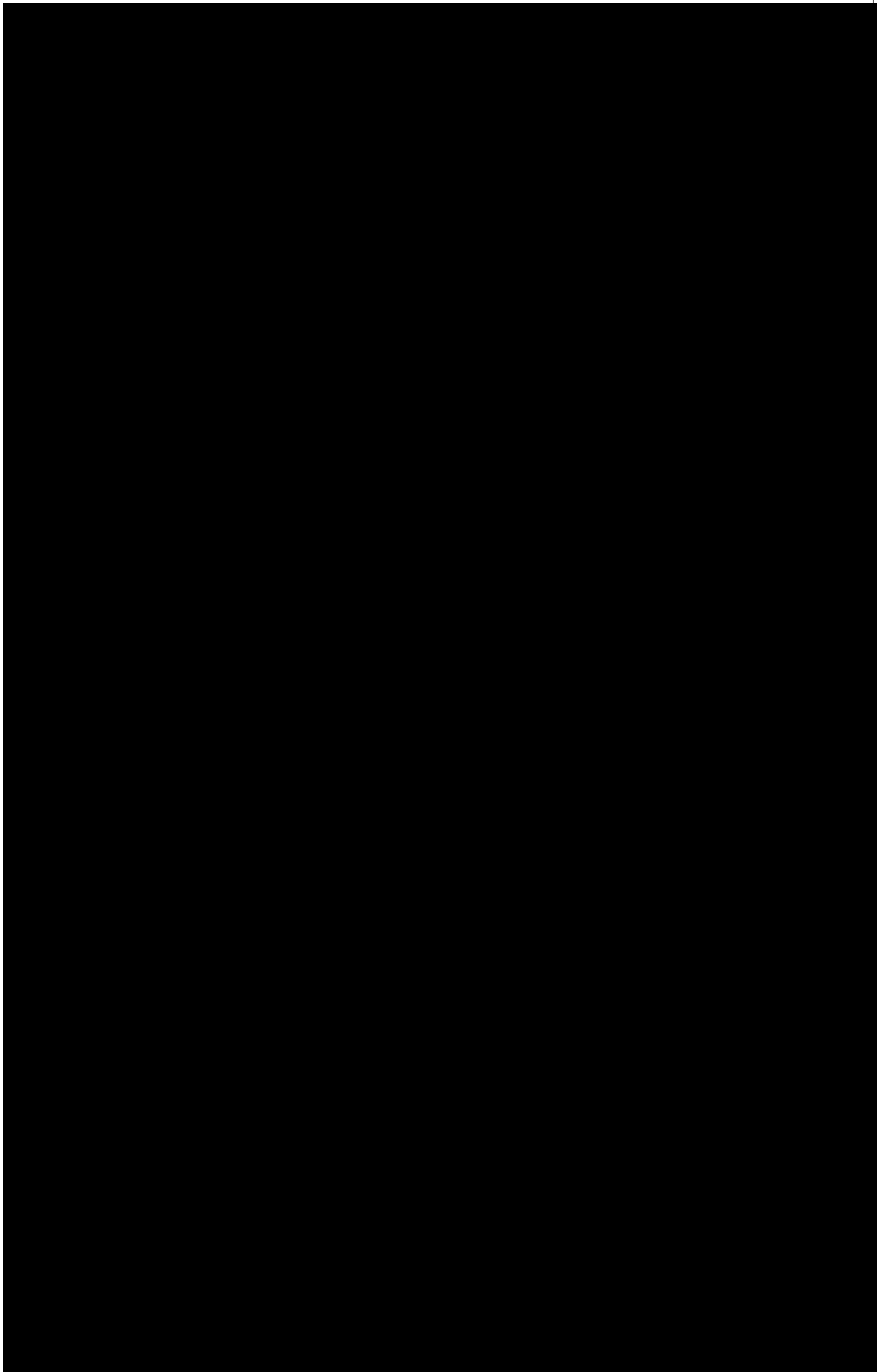
7 BY MR. PENNOCK:



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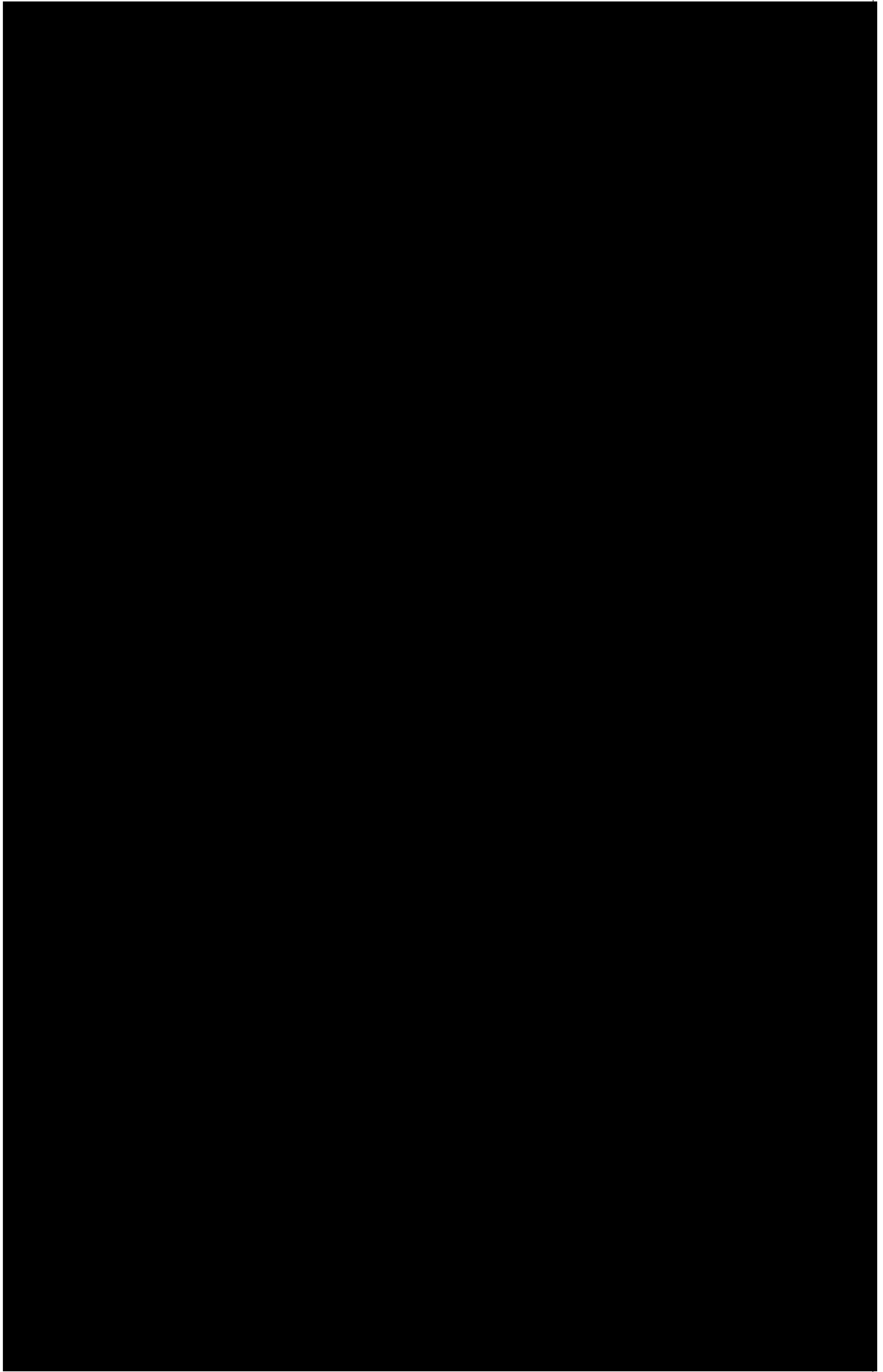


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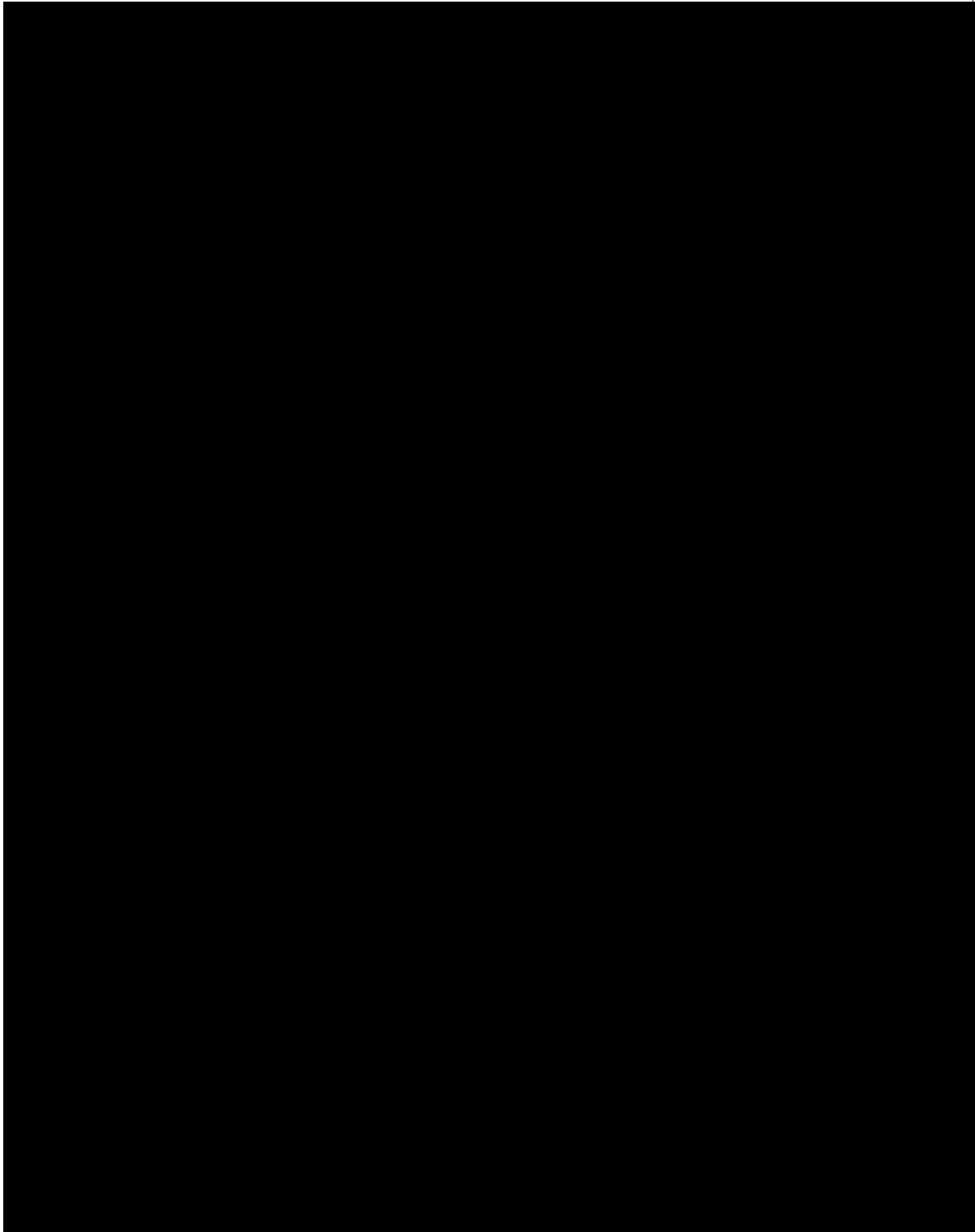




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(Whereupon, Anda-Paonessa  
Exhibit-7,  
Anda\_Opioids\_MDL\_0000258573, was  
marked for identification.)

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2 BY MR. PENNOCK:

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23 BY MR. PENNOCK:

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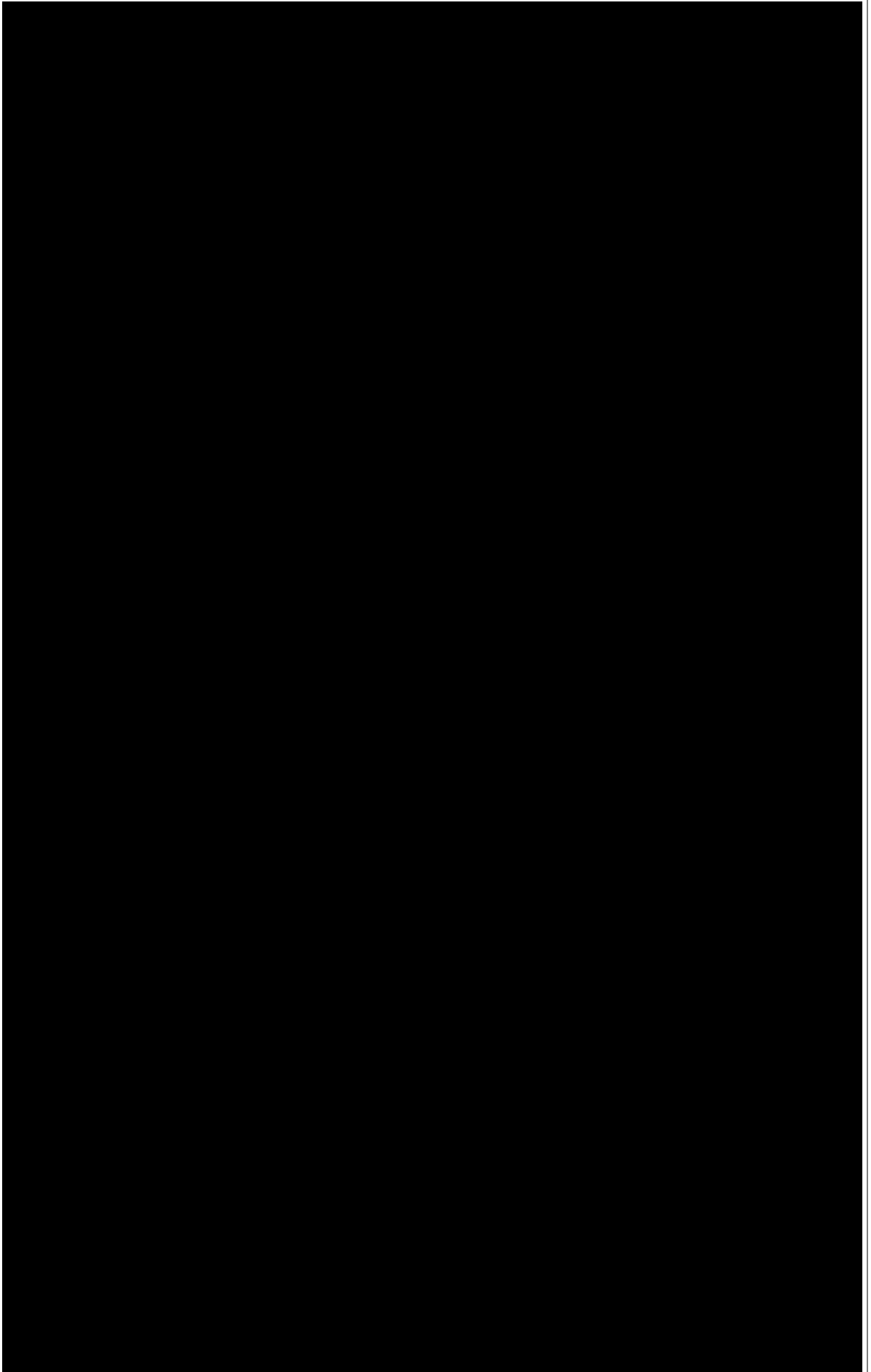
Q. Okay. Wholesaler.

1                   Do you draw -- is there some  
2   distinction between a distributor and a  
3   wholesaler?

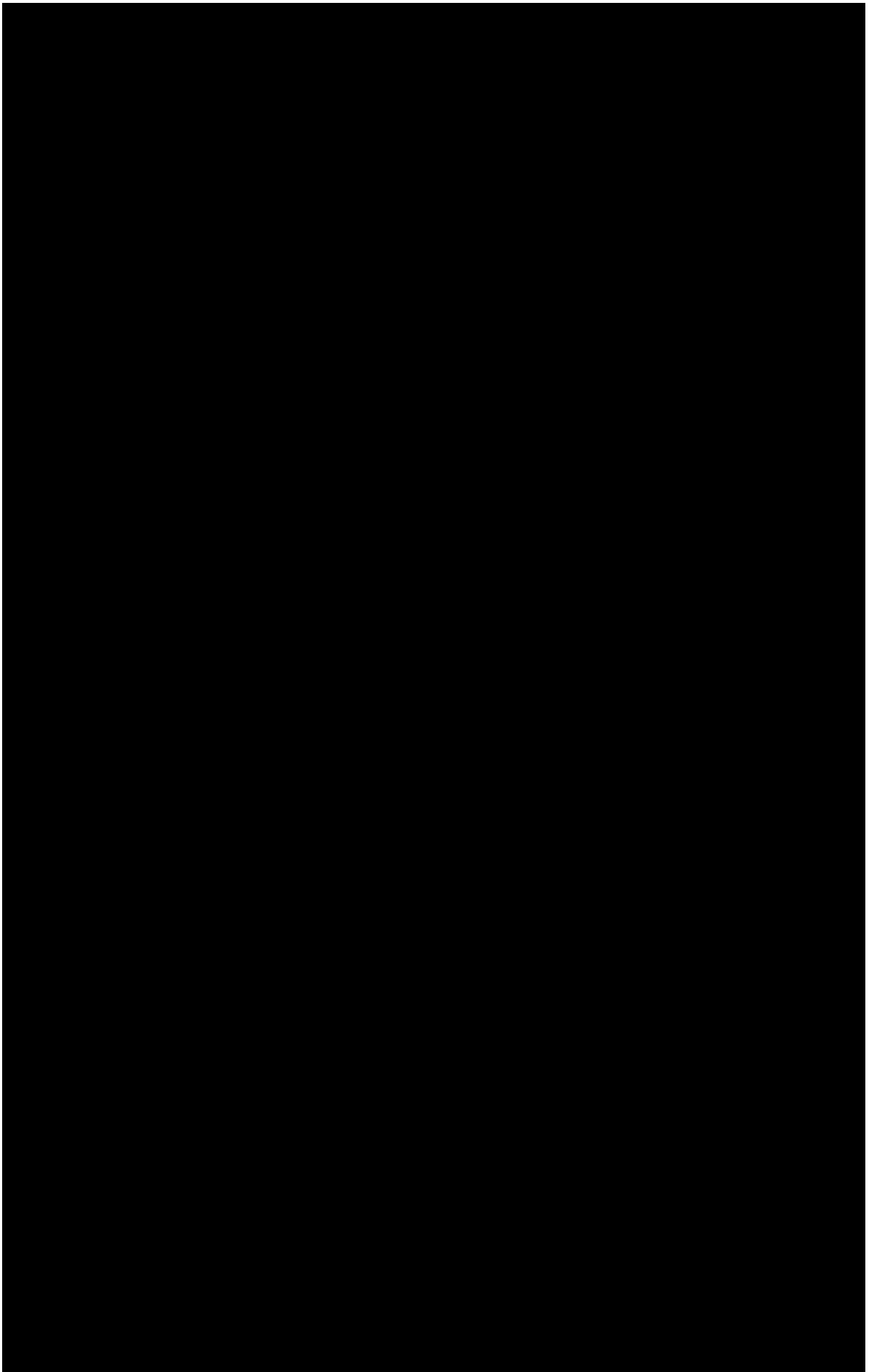
4                   A.     Yeah, the full-line  
5   wholesaler versus a distributor. A  
6   distributor is more of a secondary or  
7   tertiary to pharmacies around the  
8   country, where a full-line wholesaler, he  
9   would be selling everything to most of  
10   his accounts; but he also operated  
11   slightly as a distributor, too, with some  
12   telesales, which wasn't really common in  
13   our industry.

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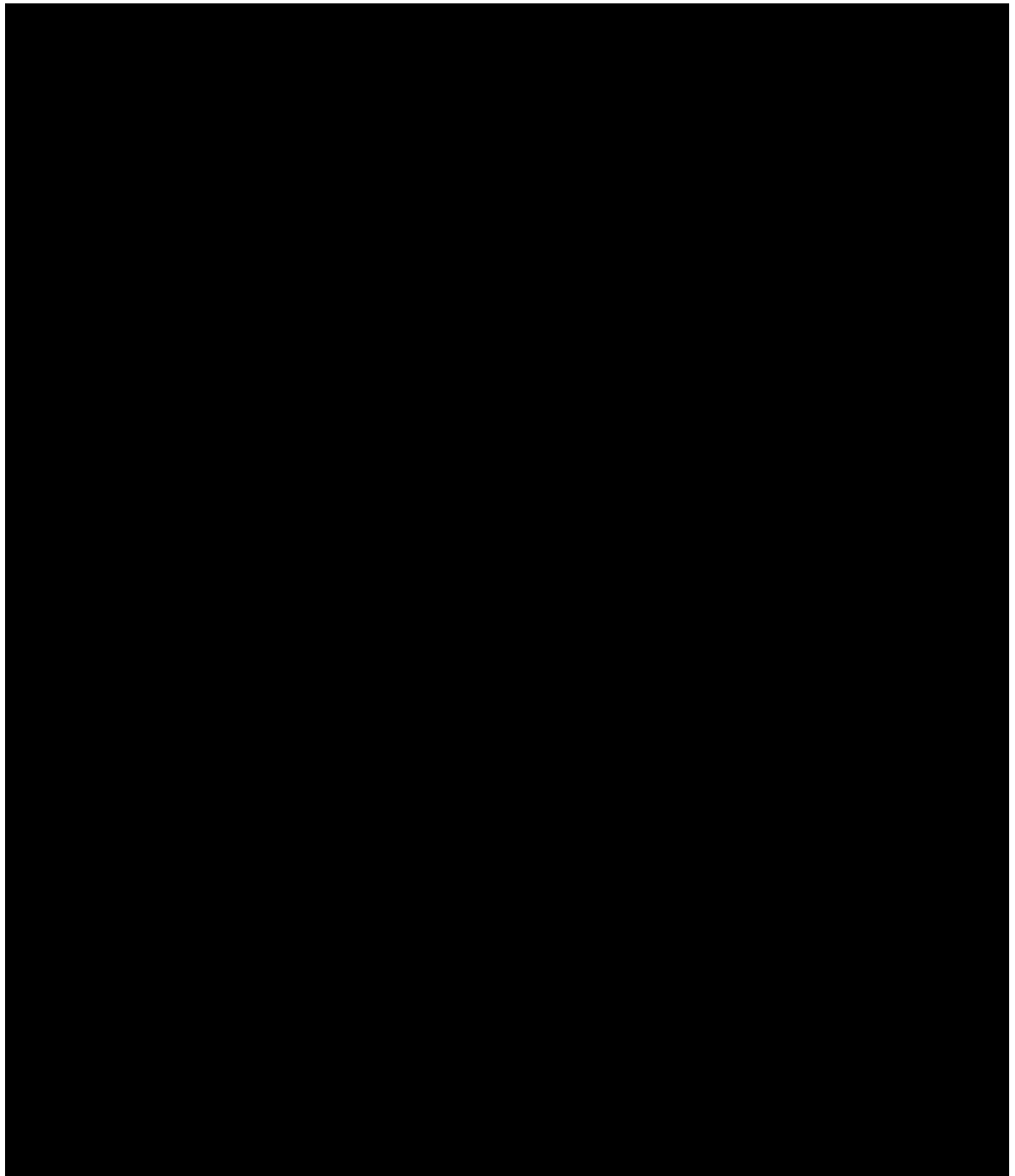
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(Whereupon, Anda-Paonessa  
Exhibit-8,  
Anda\_Opioids\_MDL\_0000258572, was  
marked for identification.)

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1 BY MR. PENNOCK:

2 Q. Let me show you Exhibit-8.

3 It's a little confusing.

4 MR. PENNOCK: Exhibit-7, by  
5 the way, if I didn't read it, was  
6 0000258573.

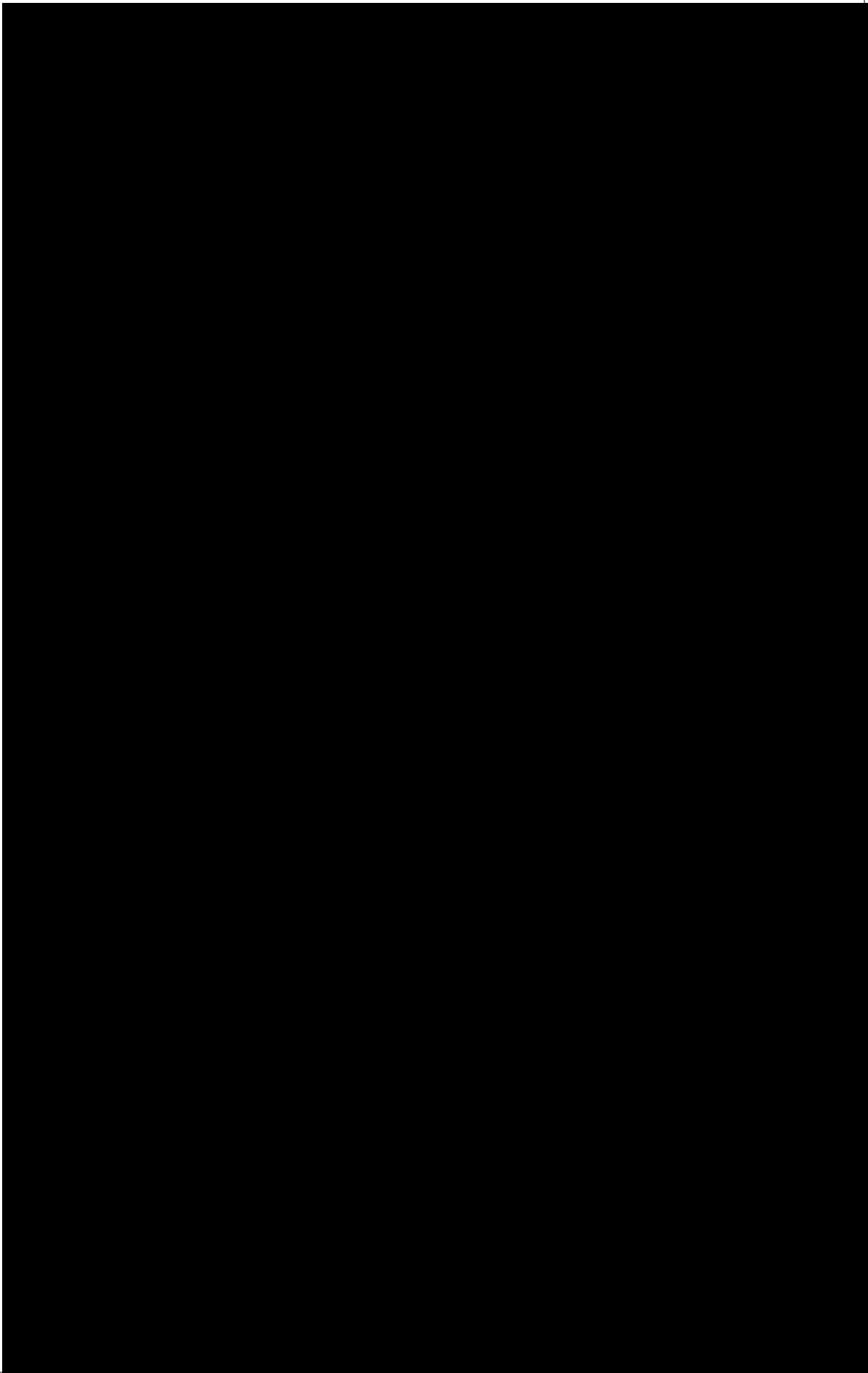
7 Exhibit-8 is 0000258572.

8 BY MR. PENNOCK:

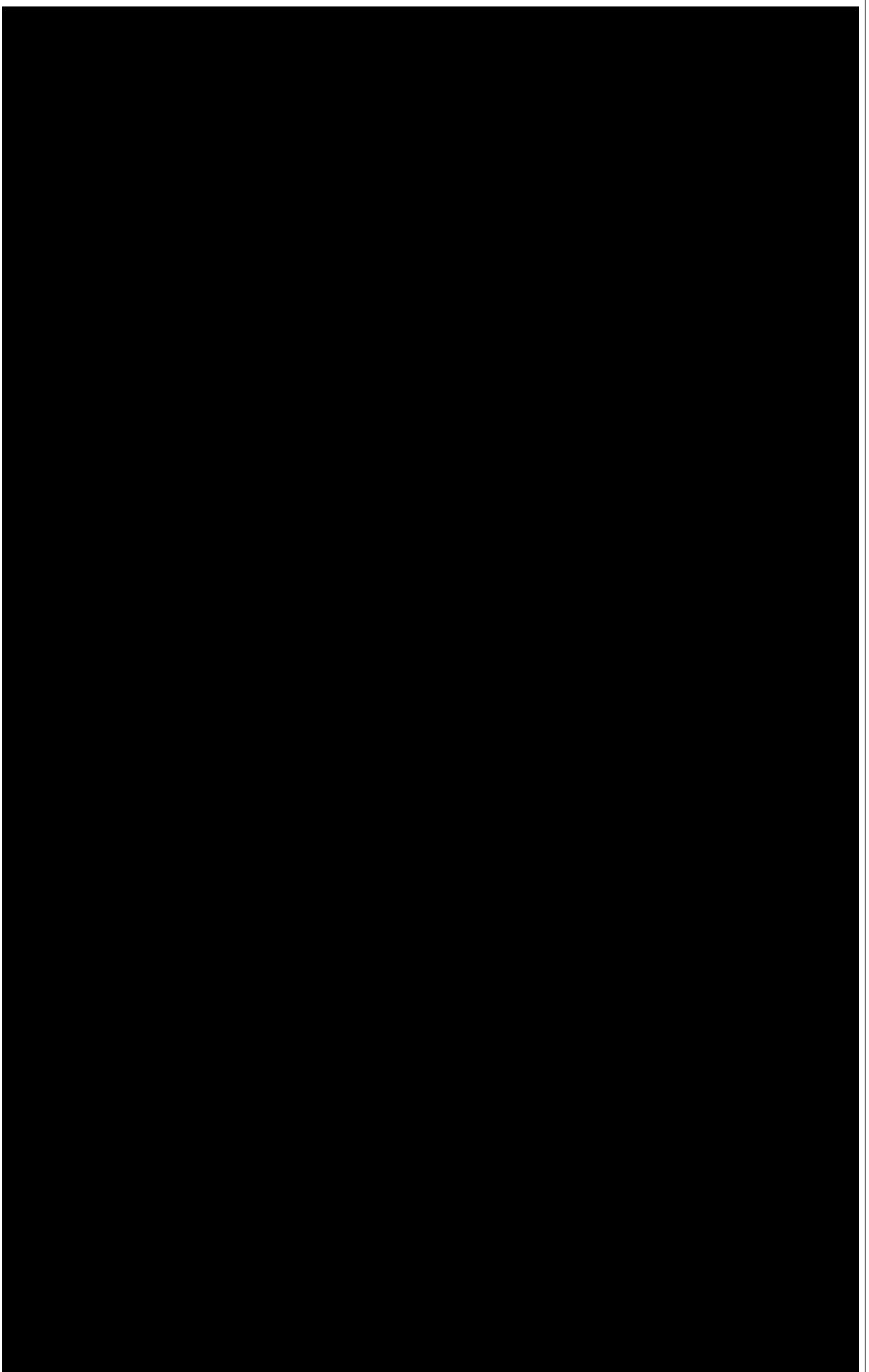
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1 BY MR. PENNOCK:

2 Q. Really?

3 MS. KOSKI: I didn't hear  
4 you say something, but then  
5 there's an indication on the  
6 transcript that you said "really."

7 Did you ask that question?  
8 Or was that just -- is there  
9 something pending?


10 MR. PENNOCK: I may have  
11 said that. This entire case blows  
12 my mind.

13 MS. KOSKI: Move to strike  
14 the colloquy.

15 MR. PENNOCK: Well, we'll  
16 get to another aspect of that.

17 BY MR. PENNOCK:

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(Whereupon, Anda-Paonessa

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Exhibit-9,

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Anda\_Opioids\_MDL\_0000091168-176,

6

was marked for identification.)

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BY MR. PENNOCK:

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Q. Let me show you what's been

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marked as Exhibit-9 to your deposition.

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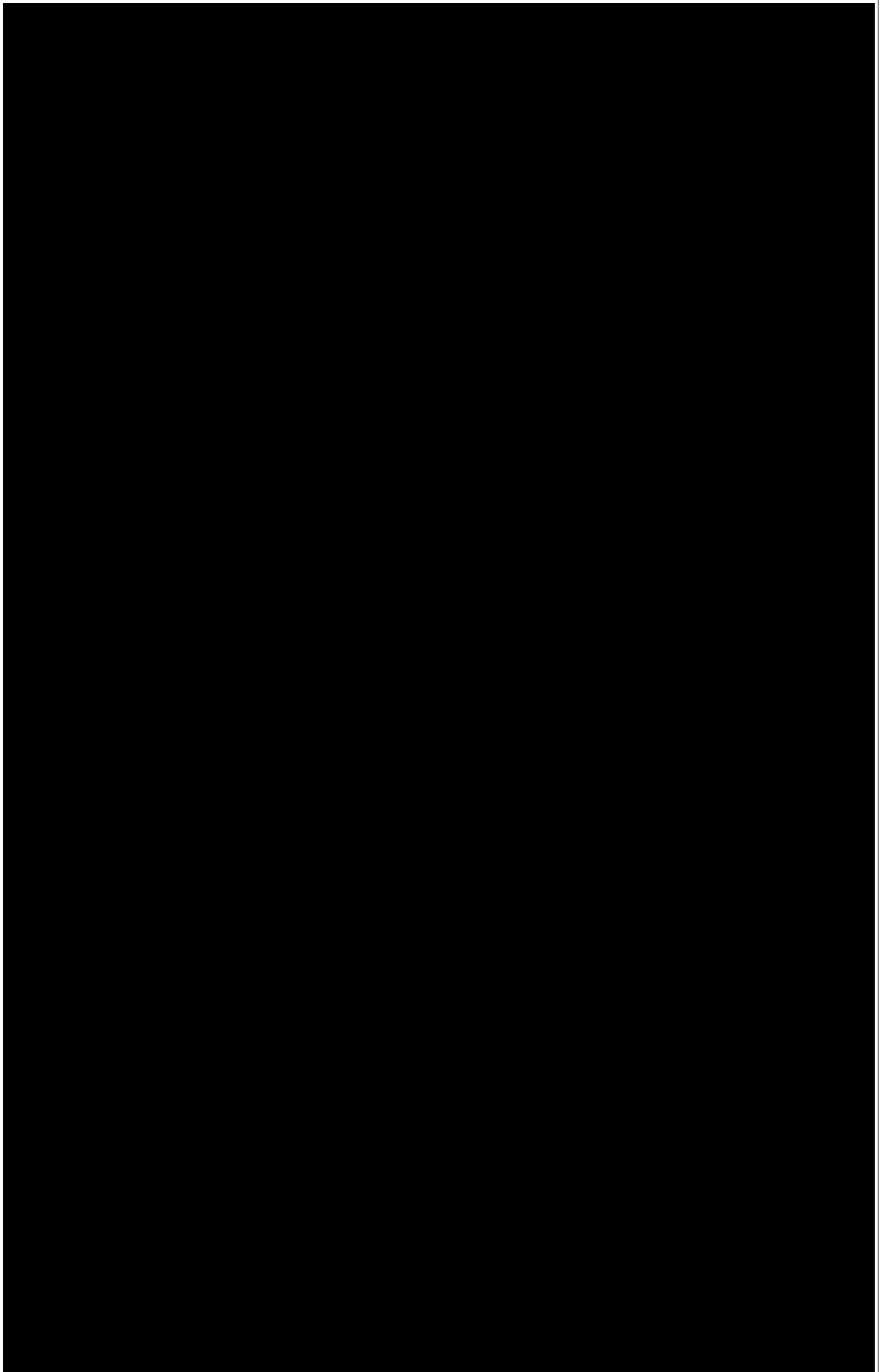
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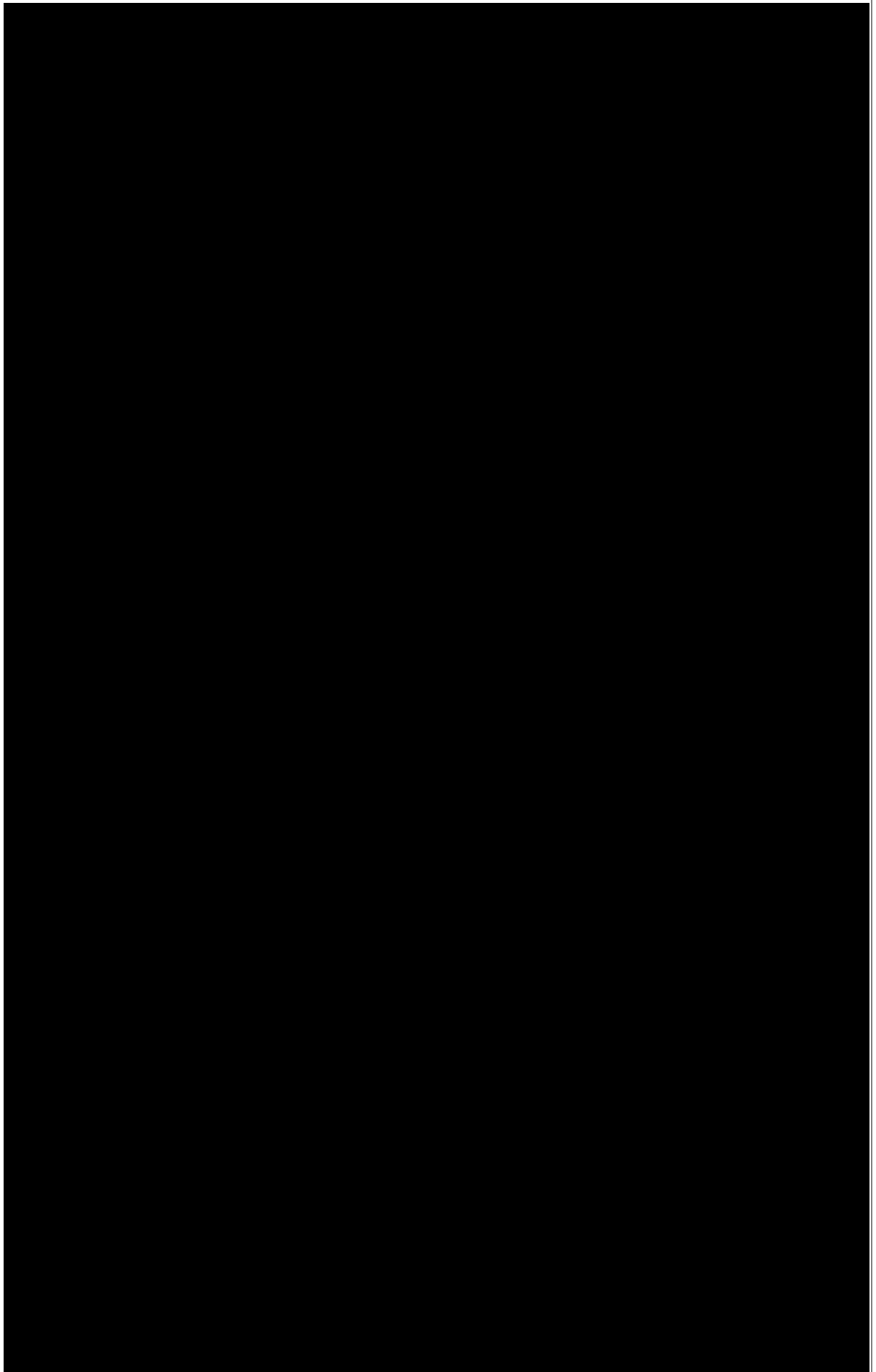
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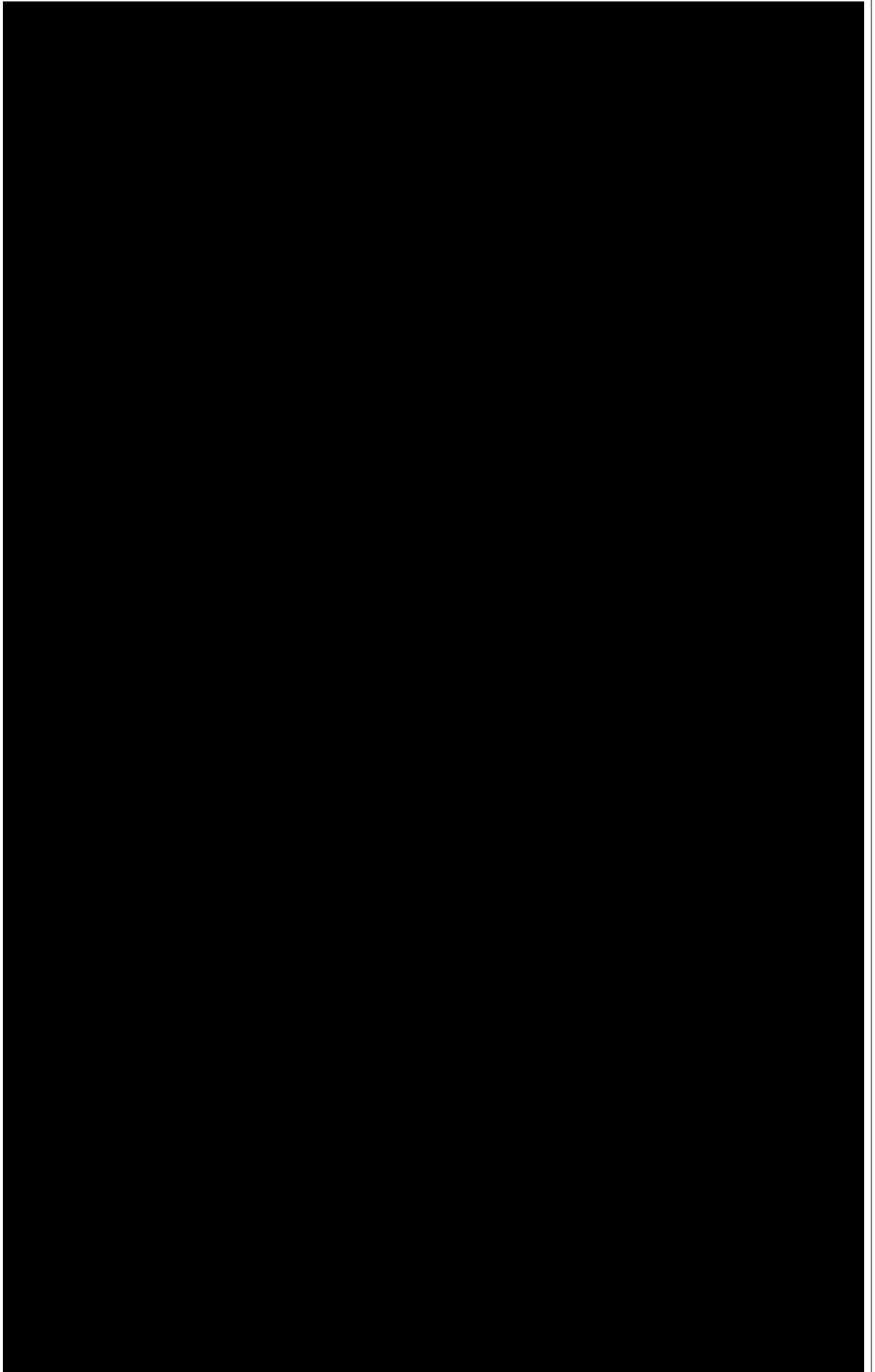
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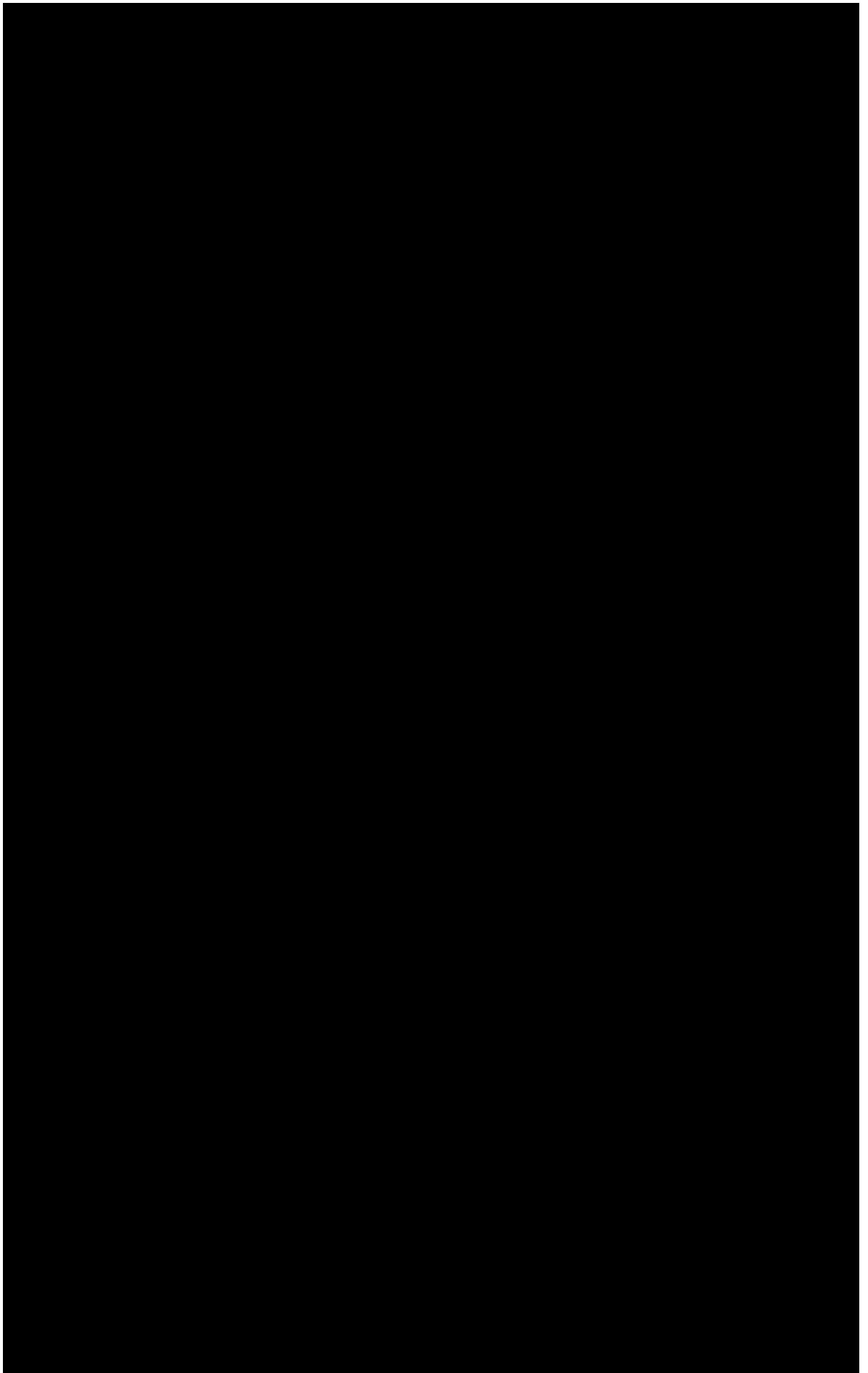


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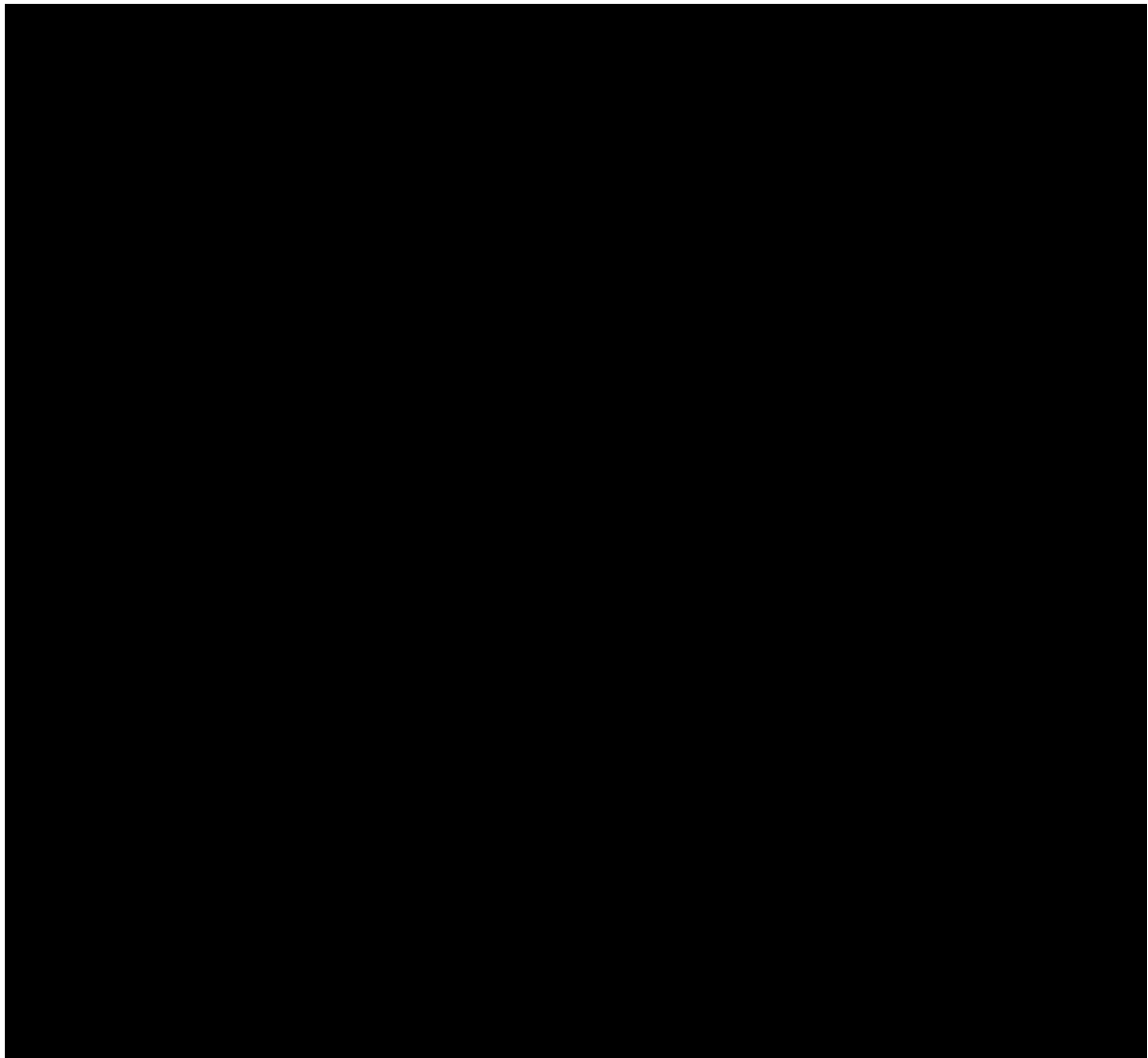




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15 BY MR. PENNOCK:

16 Q. Were you paying attention to  
17 anything that was going on?

18 MS. KOSKI: Object to form.

19 BY MR. PENNOCK:

20 Q. With respect to opioids and  
21 their distribution and diversion at that  
22 time?

23 MS. KOSKI: Object to form.

24 You don't need to answer that.

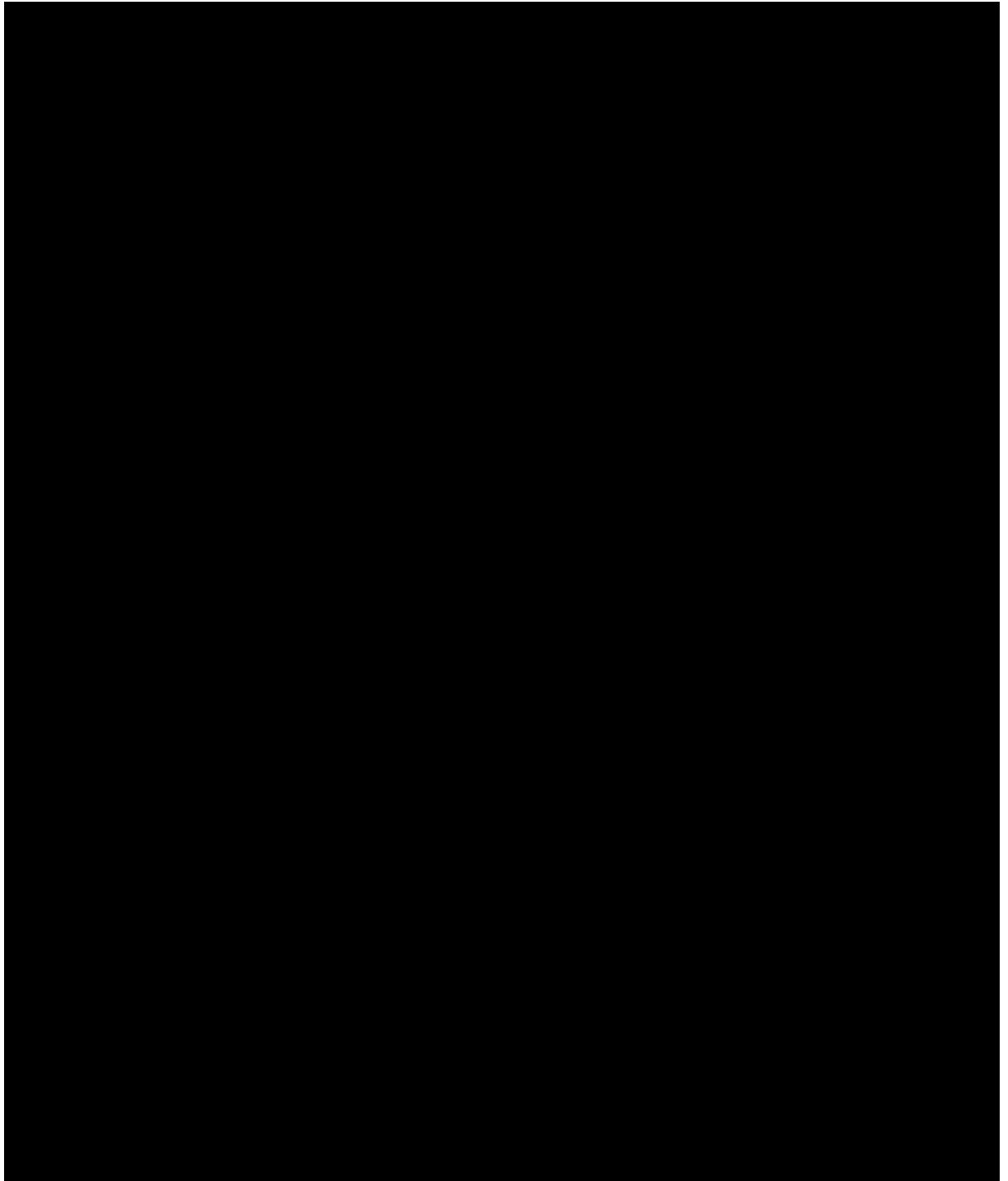
1                   That's inappropriate.

2                   You can ask a question and  
3                   answer.

4                   MR. PENNOCK: I'm asking  
5                   him.

6       BY MR. PENNOCK:

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MR. PENNOCK: Why don't we

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take a quick break?

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VIDEO TECHNICIAN: Going off

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record. The time is 11:21.

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(Whereupon, a brief recess

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was taken.)

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VIDEO TECHNICIAN: We are

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going back on record. Beginning

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of Media File Number 2. The time

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is 11:35.

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BY MR. PENNOCK:

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(Whereupon, Anda-Paonessa

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Exhibit-10, PBS.org; Understanding

11

the Opioid Epidemic, Michael's

12

Story, was marked for

13

identification.)

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MS. KOSKI: You might have

16

given me your -- there's a

17

handwritten note on this. I don't

18

know if there's more.

19

MR. PENNOCK: It's just my

20

10.

21

BY MR. PENNOCK:

22

Q. I'm just wondering, is

23

that -- because you're from this area,

24

did you ever see this news report?

1 A. No.

2 Q. Have you seen news reports  
3 regarding opioid deaths in the United  
4 States --

5 A. Yes.

6 Q. -- individuals and so forth?

7 MS. KOSKI: Let him finish  
8 his question.

9 THE WITNESS: Yes.

10 BY MR. PENNOCK:

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(Whereupon, Anda-Paonessa

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Exhibit-11,

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Allergan\_MDL\_01030377-3738, was

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marked for identification.)

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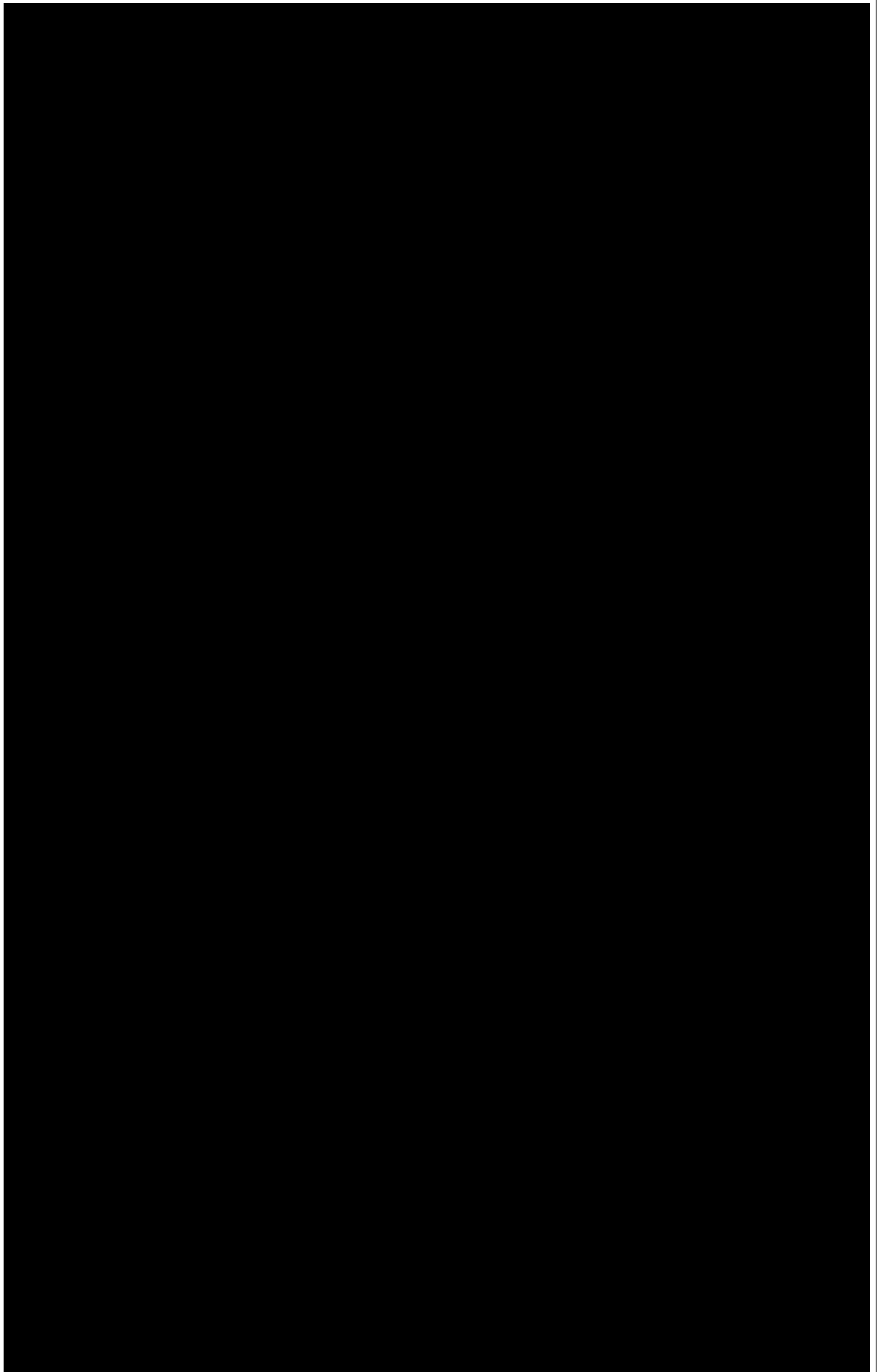
21 BY MR. PENNOCK:

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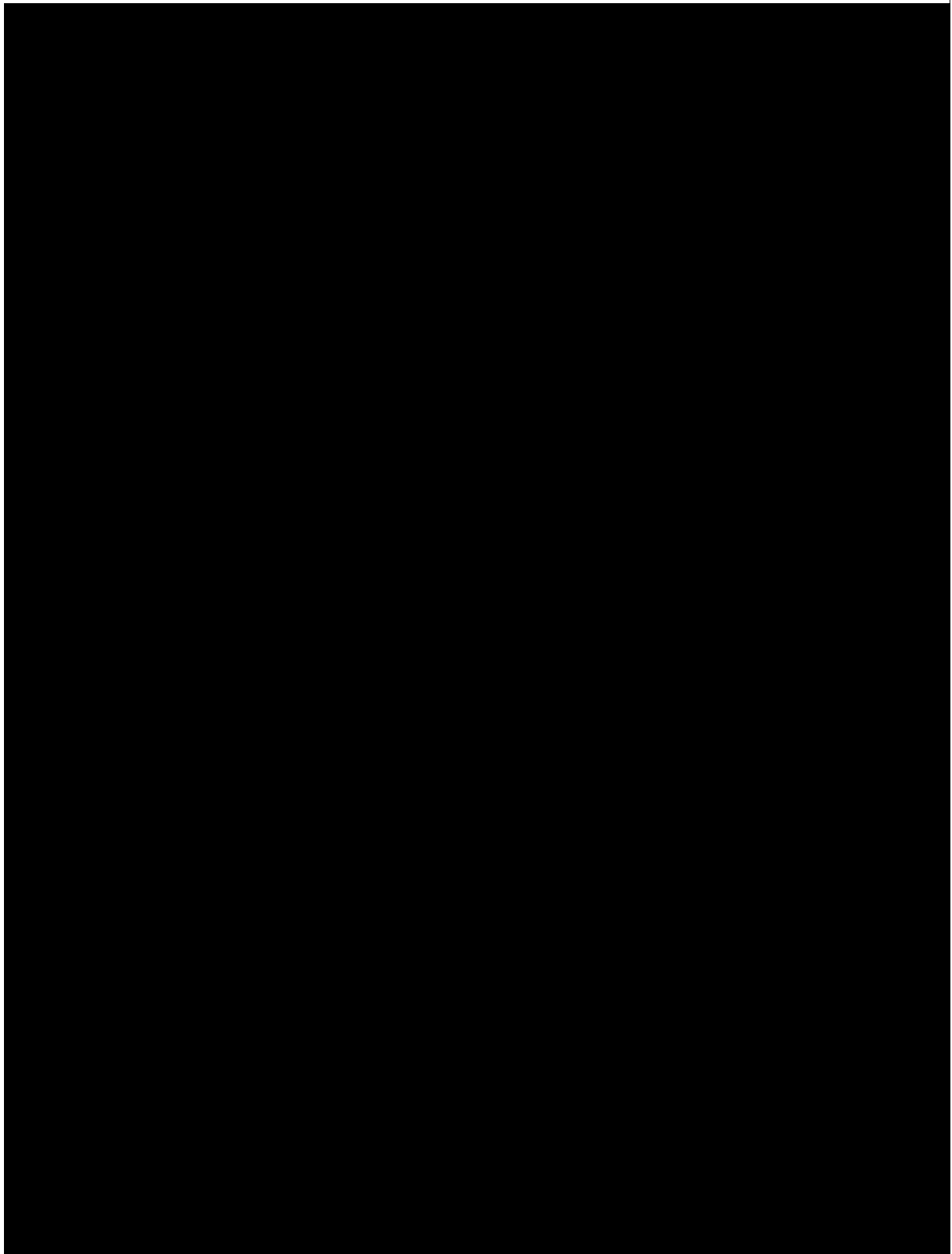
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21 Q. All right. And did she --  
22 was she above you, Tracey Hernandez?

23 MS. KOSKI: Object to form.

24 BY MR. PENNOCK:

1 Q. In other words, was she sort  
2 of one of your people that were higher up  
3 than you, because she's at Watson?

4 No?

5 A. No, I don't believe so.

6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]

11 Q. Now, Anda did promote  
12 opioids, didn't they?

13 A. Yes.

14 Q. I'd like to go through some  
15 of that with you.

16 - - -

17 (Whereupon, Anda-Paonessa  
18 Exhibit-12,  
19 Anda\_Opioids\_MDL\_0000611326-327,  
20 was marked for identification.)

21 - - -

22 MS. KOSKI: Thank you.

23 BY MR. PENNOCK:

24 Q. Exhibit-12 to your

1 deposition is

2 Anda\_Opioids\_MDL\_0000611326.

3 A. Okay.

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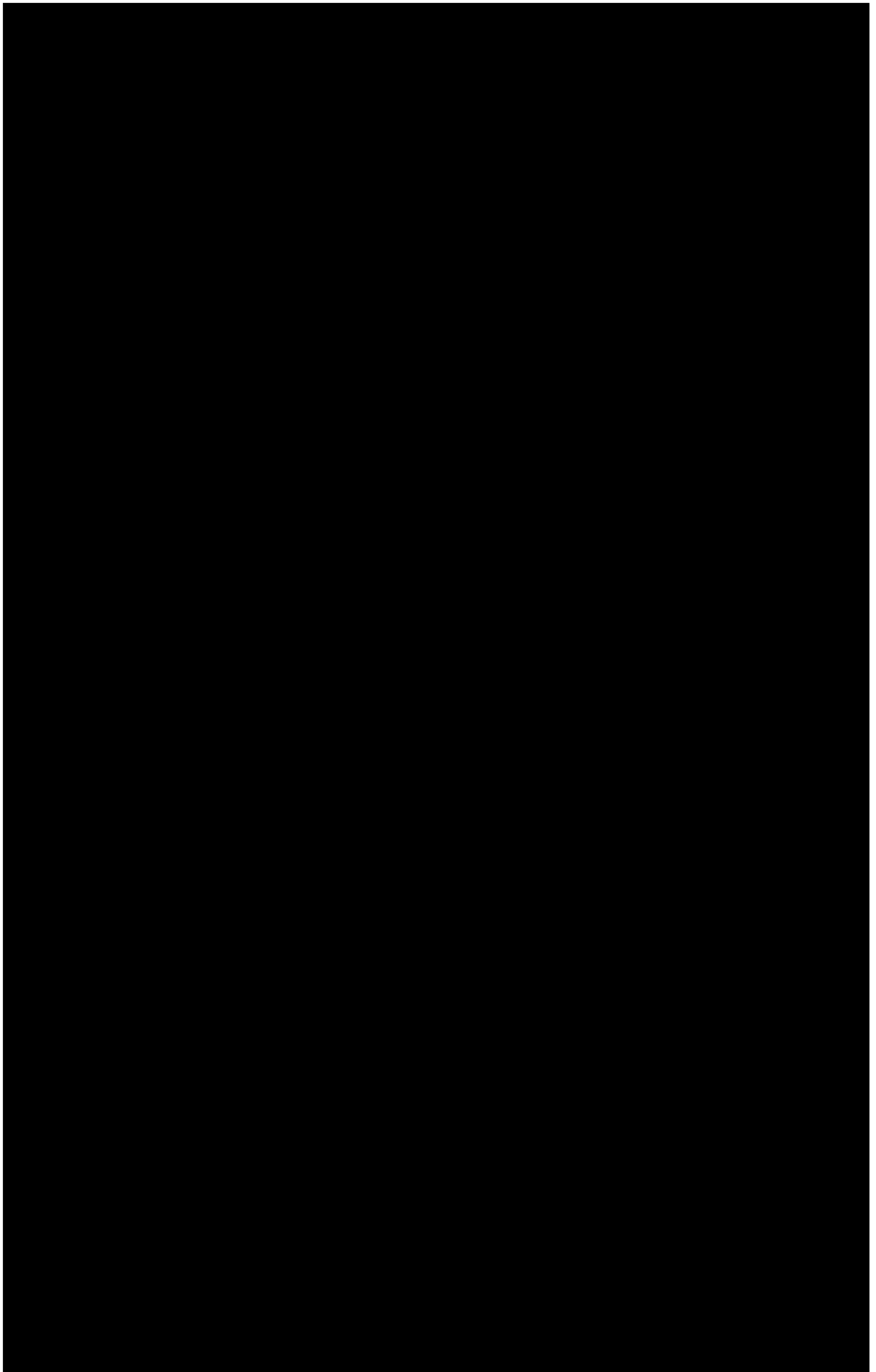
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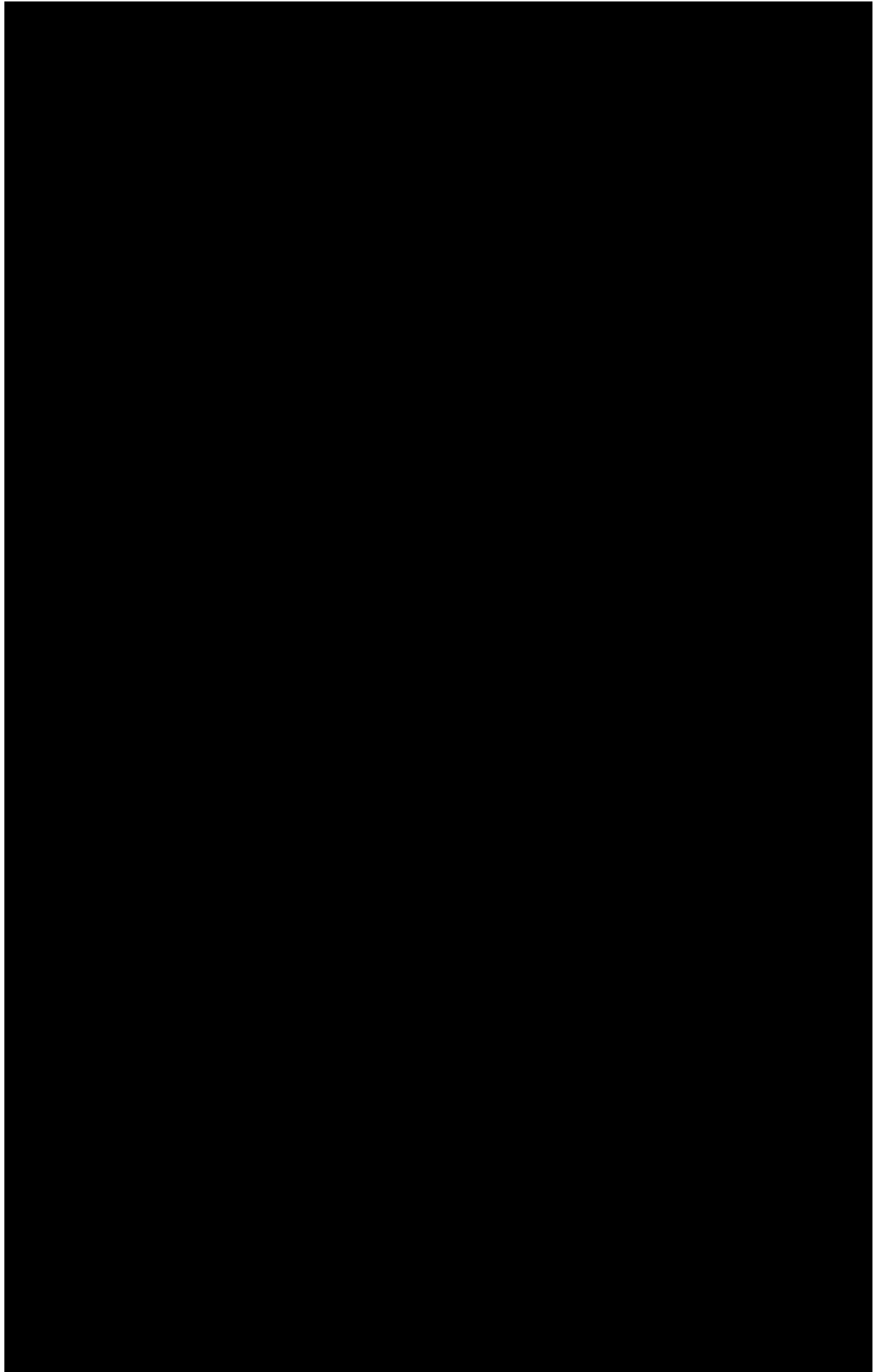
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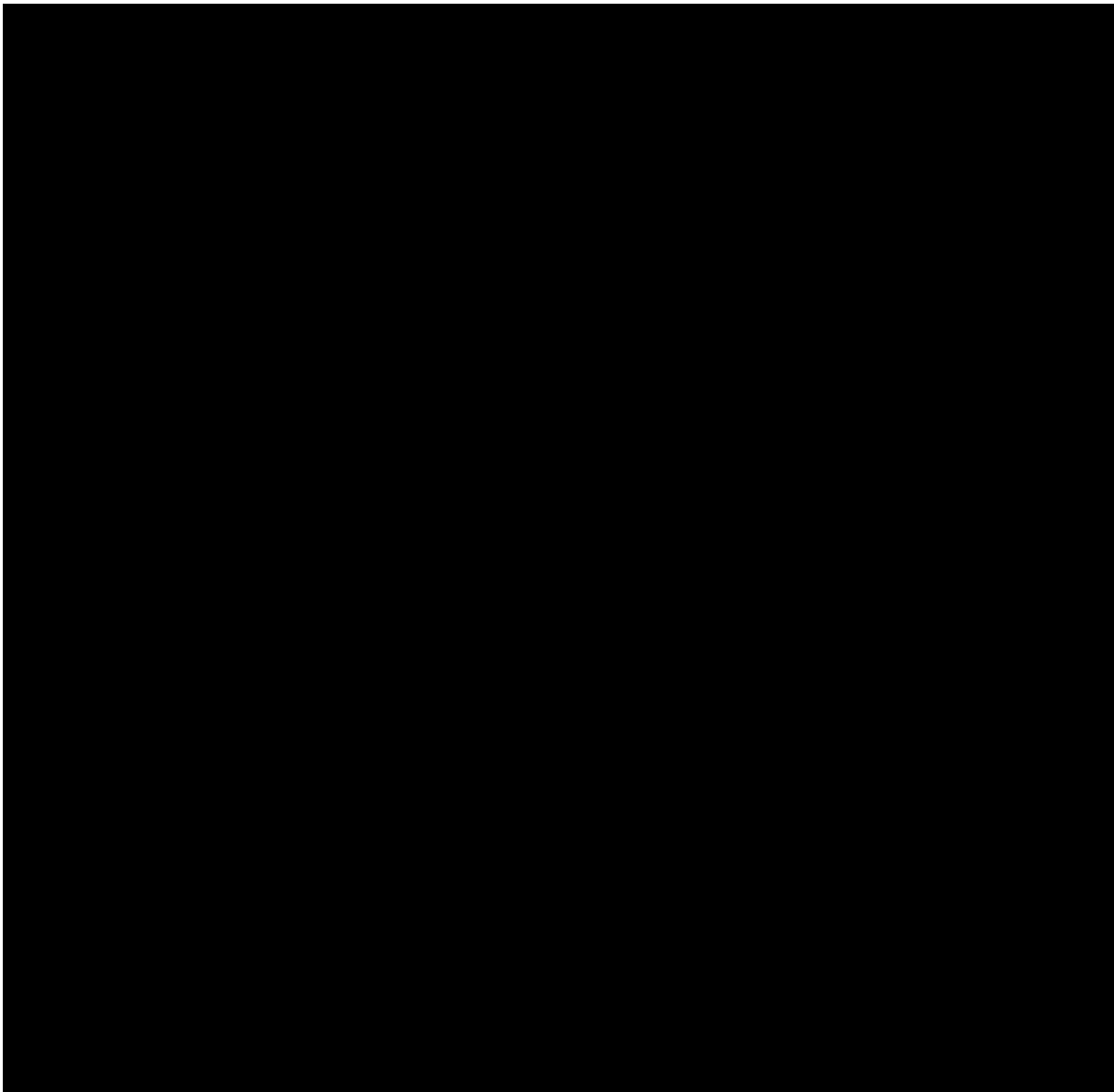


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(Whereupon, Anda-Paonessa  
Exhibit-13,  
Anda\_Opioids\_MDL\_0000108236-243,  
was marked for identification.)

- - -

BY MR. PENNOCK:

Q. I'm going to show you Bates  
number Anda\_Opioids\_MDL\_0000108236, is

1 the initial Bates number. It ends in  
2 243. The Bates got cut off in the  
3 photocopy. Just take a moment and look  
4 at that.

5 A. Okay.

6 Q. So this is a -- this  
7 document, Exhibit --

8 MR. PENNOCK: What Exhibit  
9 number is this?

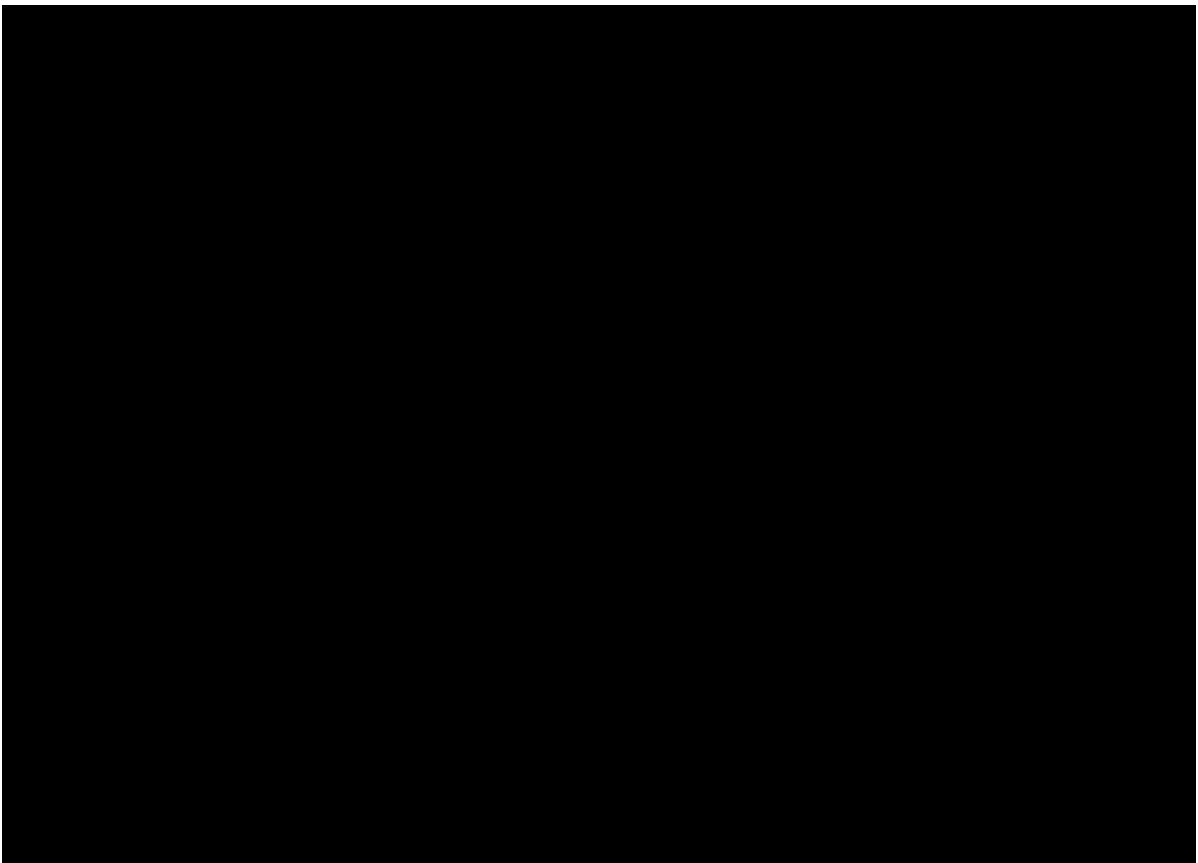
10 MS. KOSKI: 13.

11 MR. PENNOCK: 13.

12 Exhibit-13.

13 BY MR. PENNOCK:

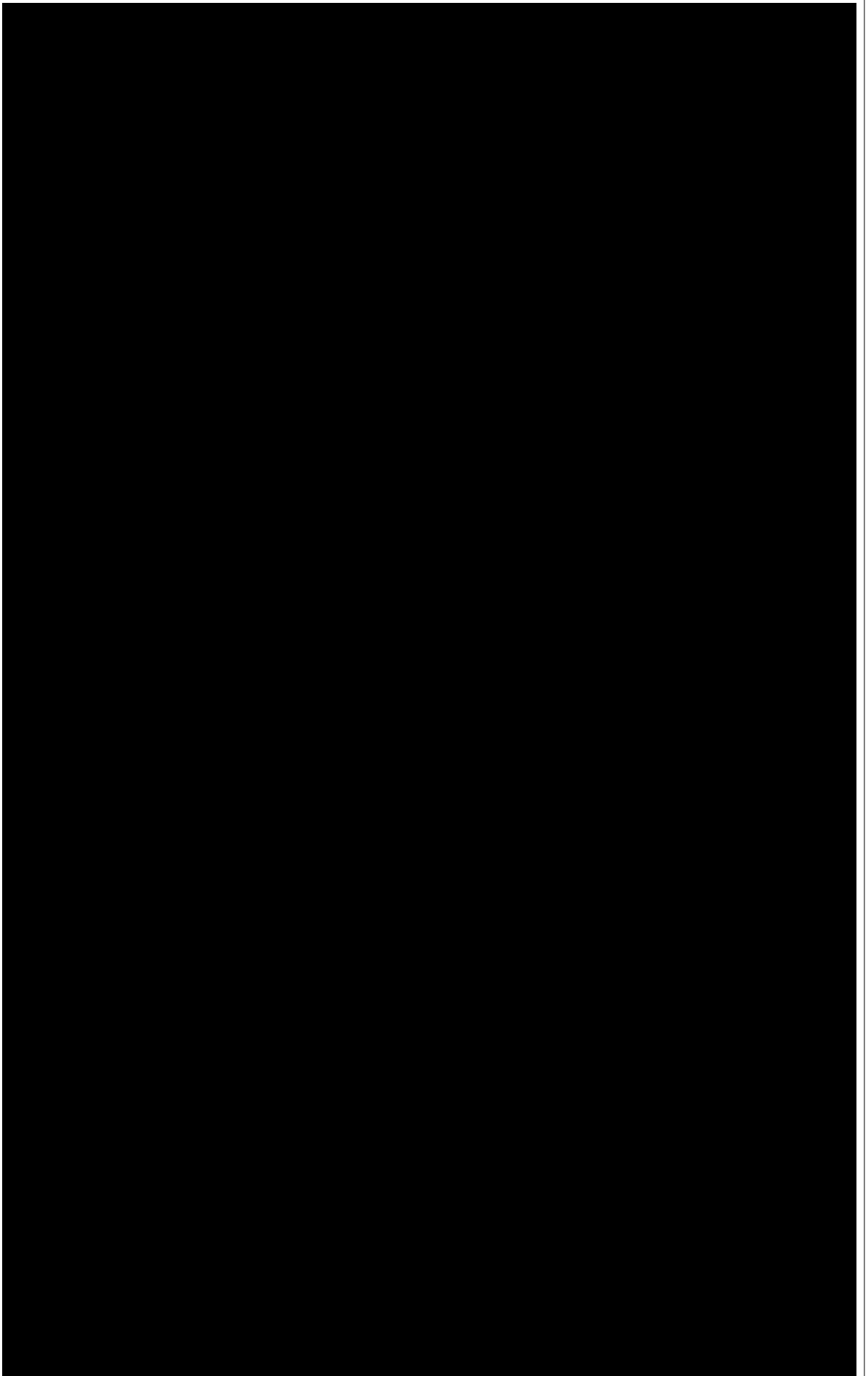
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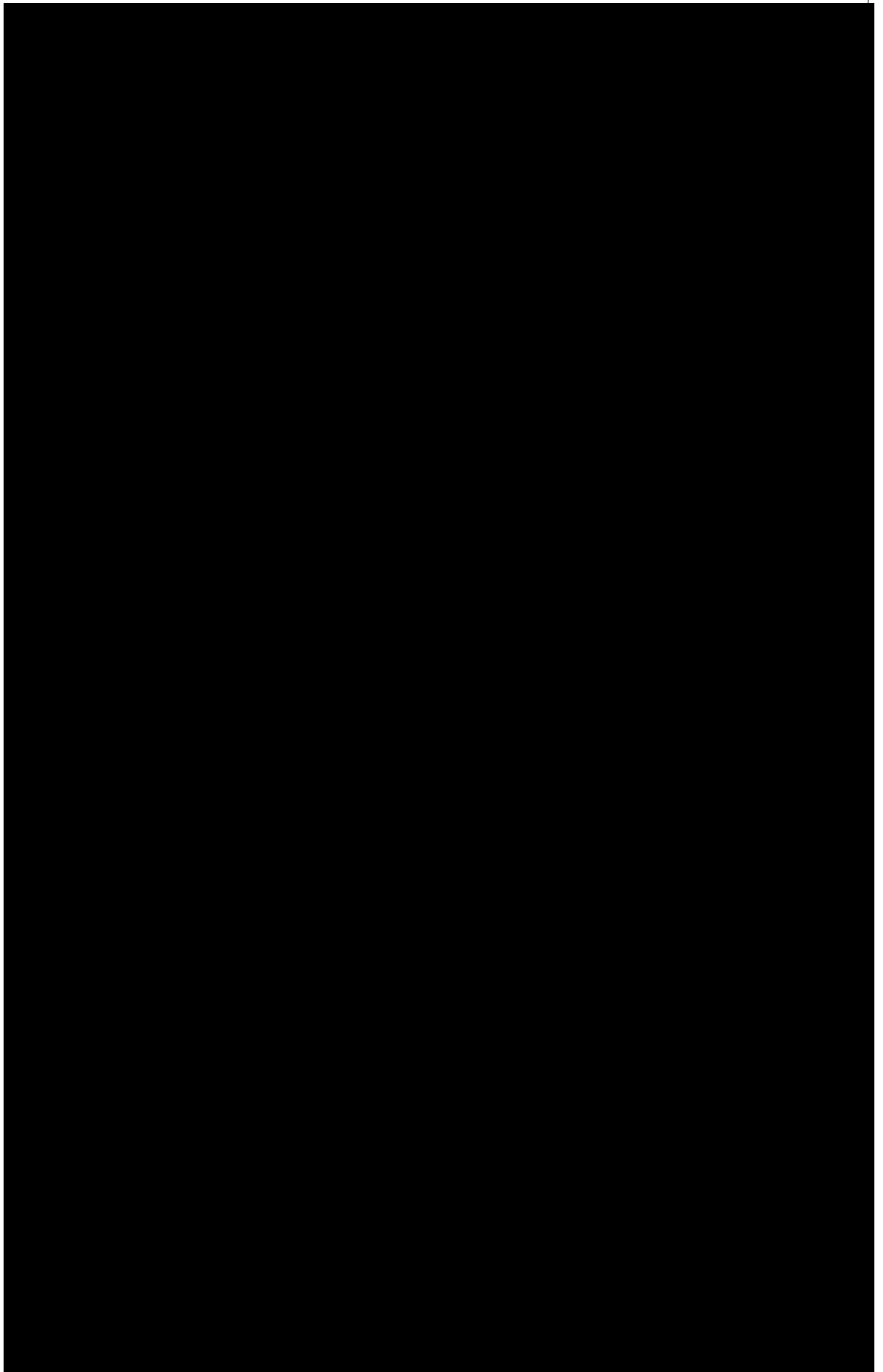


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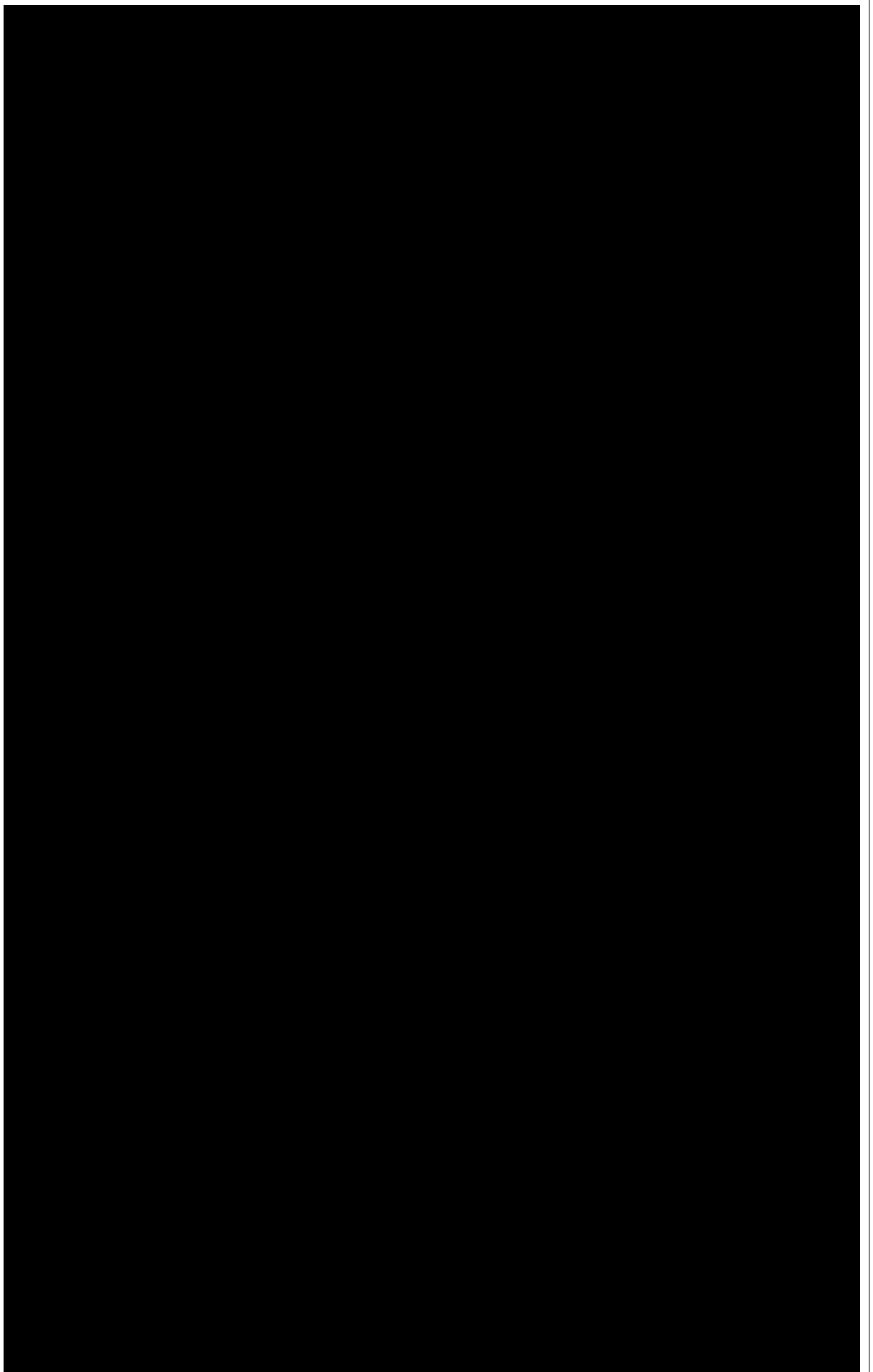
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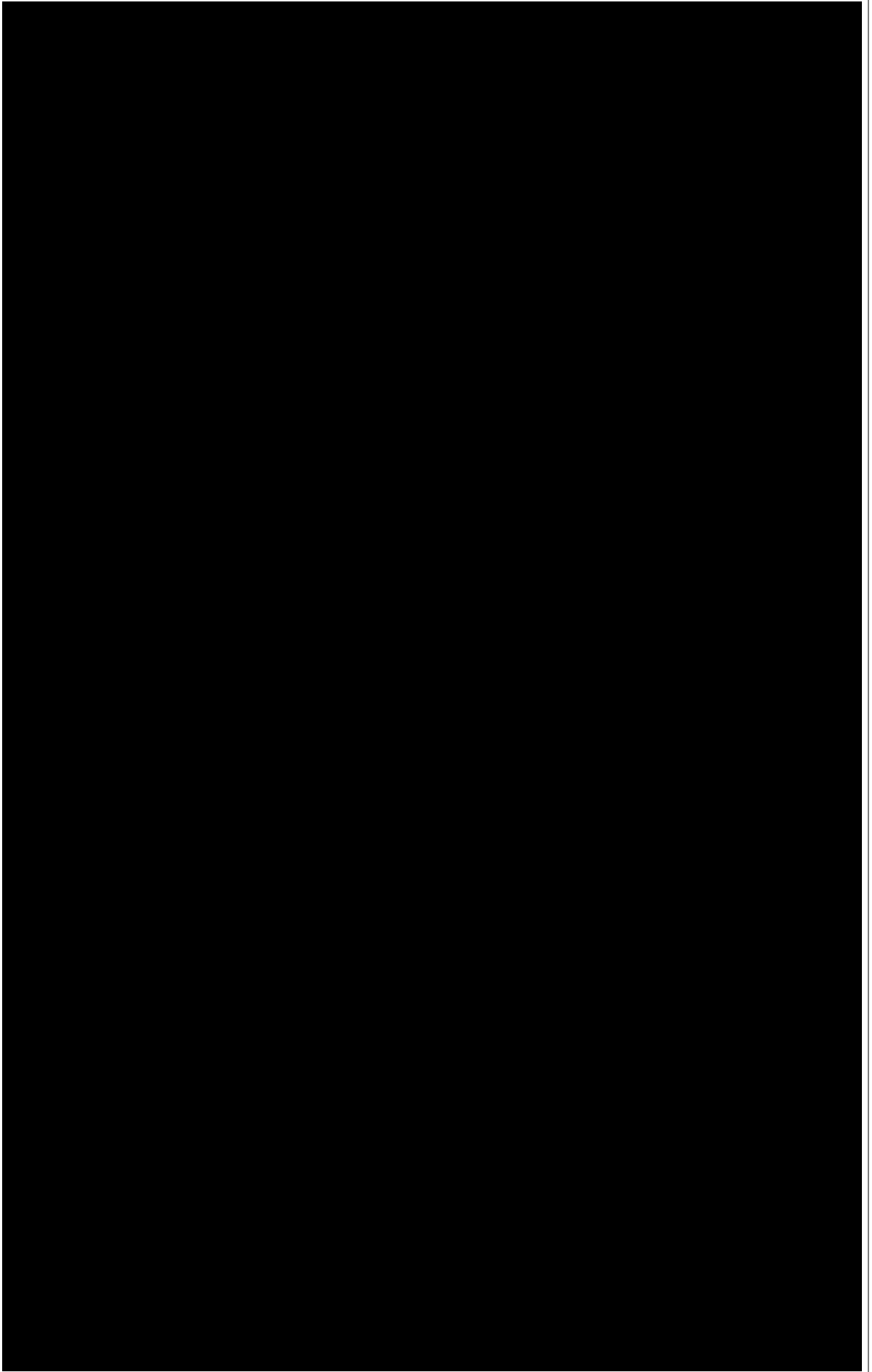
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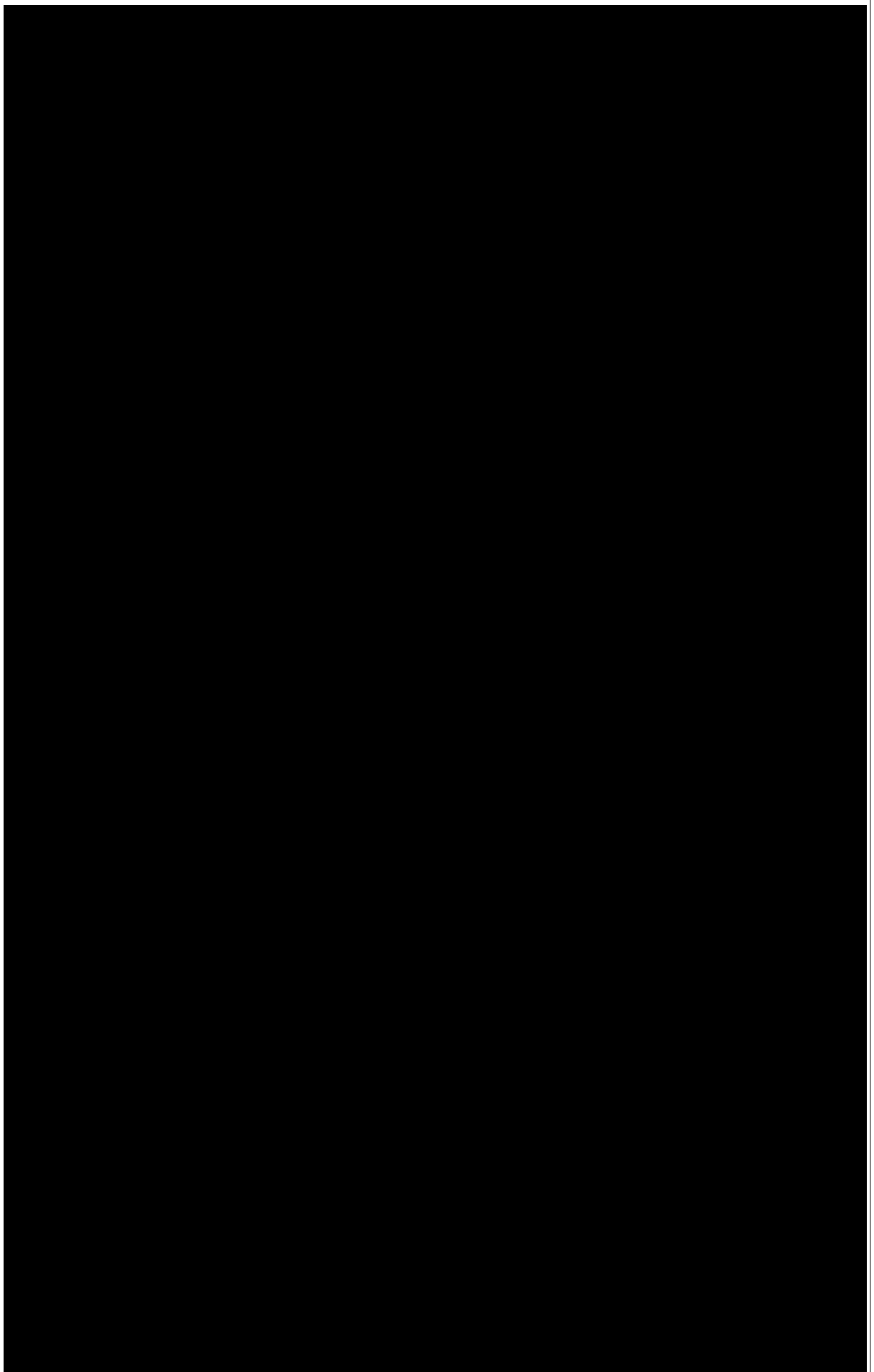
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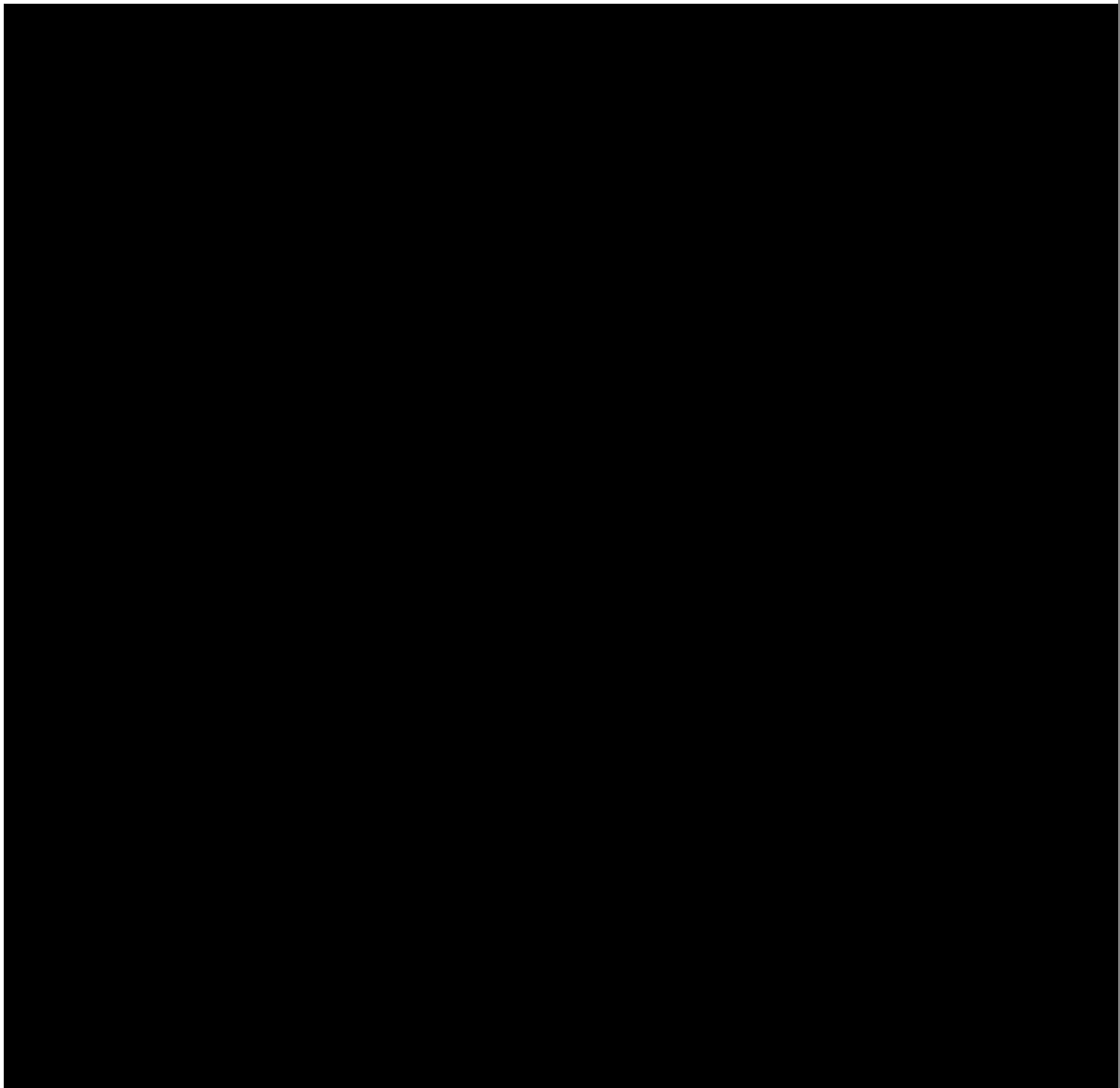
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16 BY MR. PENNOCK:

17 Q. And did anyone, including  
18 you, sit back and say, maybe we shouldn't  
19 make it easier for people to buy these  
20 opioids; maybe we should make it harder  
21 for them to do so?

22 A. We did make it harder. They  
23 couldn't just buy it because I had it.  
24 We made it harder for them to order it

1 based on our due diligence that we did.

2 Using us as a supplier and  
3 making it easier for them to buy from us,  
4 yes, we did that. We converted to CSOS  
5 also, which was very important to the  
6 DEA, because they gave them better  
7 visibility into it. So we did that.

8 But nothing changed of how  
9 we looked at people in 2010 -- I mean, it  
10 changed of how we looked at it. It was  
11 much more stringent and harder than it  
12 was in 2006 and '07 to buy from us.

13 Just because I had the  
14 products and gave them an easier way to  
15 mail me a form did not make it easier for  
16 them to acquire the product from me.

17 Q. You just said that you were  
18 doing this to make it easier for them;  
19 you just said that.

20 A. To mail in their form,  
21 that's what I said.

22 Q. Make it easier to get the  
23 product?

24 A. It didn't make it easier to



1 get 5,000 tablets or more, no. That's  
2 not what I said.

3 I said it was easier for  
4 them to order, not to get more product.

5 Q. Right. So did you ever sit  
6 back and say, maybe we shouldn't make it  
7 so easy for them to order?

8 MS. KOSKI: Object to form.

9 THE WITNESS: I didn't -- I  
10 don't think about it in the  
11 context that you're conveying now,  
12 no.

13 - - -

14 (Whereupon, Anda-Paonessa  
15 Exhibit-14,  
16 Anda\_Opioids\_MDL\_0000109074-073,  
17 was marked for identification.)

18 - - -

19 (Whereupon, a discussion off  
20 the record occurred.)

21 - - -

22 BY MR. PENNOCK:

23 Q. Allow me to show you,  
24 please, Exhibit-14 to your deposition.

1     Anda\_Opioids\_MDL\_00000109074.    I'd like  
2     to show you 073 followed by 074.

3             A.       Okay.

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(Whereupon, Anda-Paonessa

4

Exhibit-15, Anda; Back in Stock

5

and Last Chance Flyer, was marked

6

for identification.)

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BY MR. PENNOCK:

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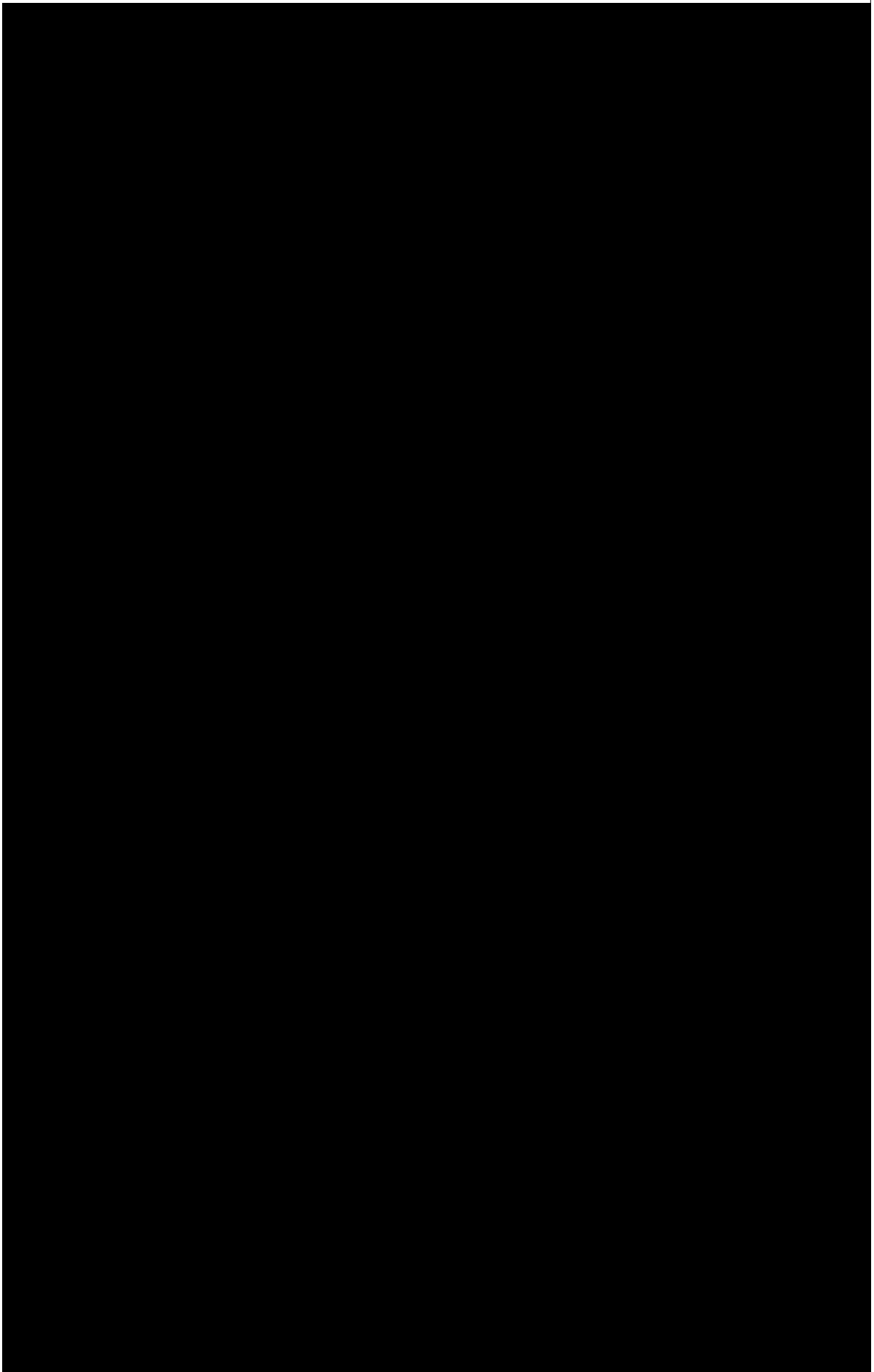
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1 BY MR. PENNOCK:

2 Q. Does that seem like a  
3 reasonable date to you for this?

4 MS. KOSKI: Can we go off  
5 for a second?

6 MR. PENNOCK: Sure.

7 VIDEO TECHNICIAN: Going off  
8 record. The time is 12:04.

9 - - -

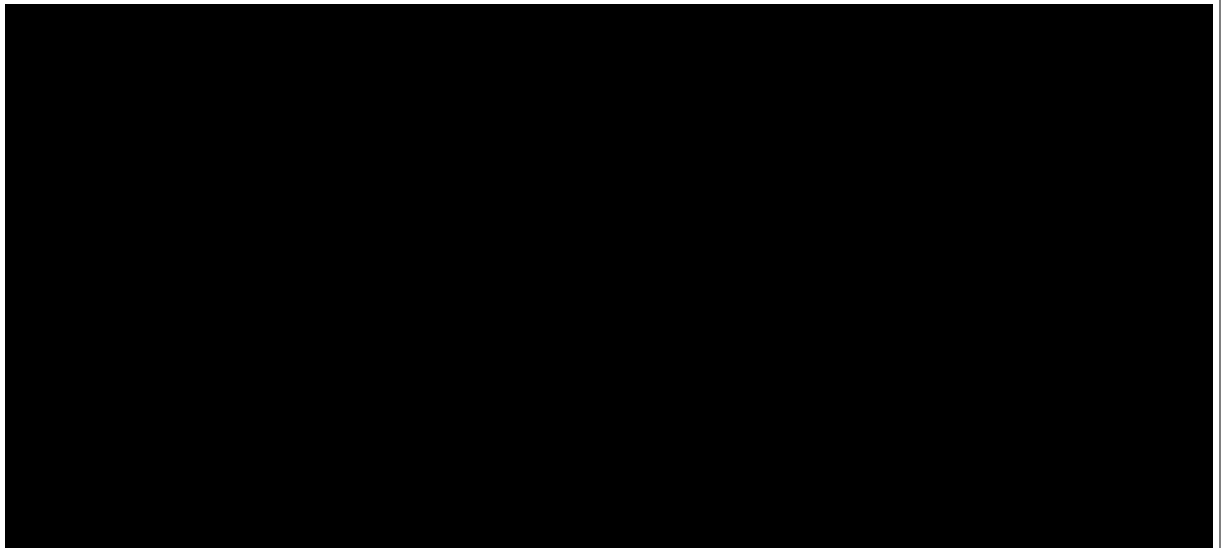
10 (Whereupon, a brief recess  
11 was taken.)

12 - - -

13 VIDEO TECHNICIAN: Going  
14 back on the record. Beginning of  
15 Media File Number 3. The time is  
16 12:05.

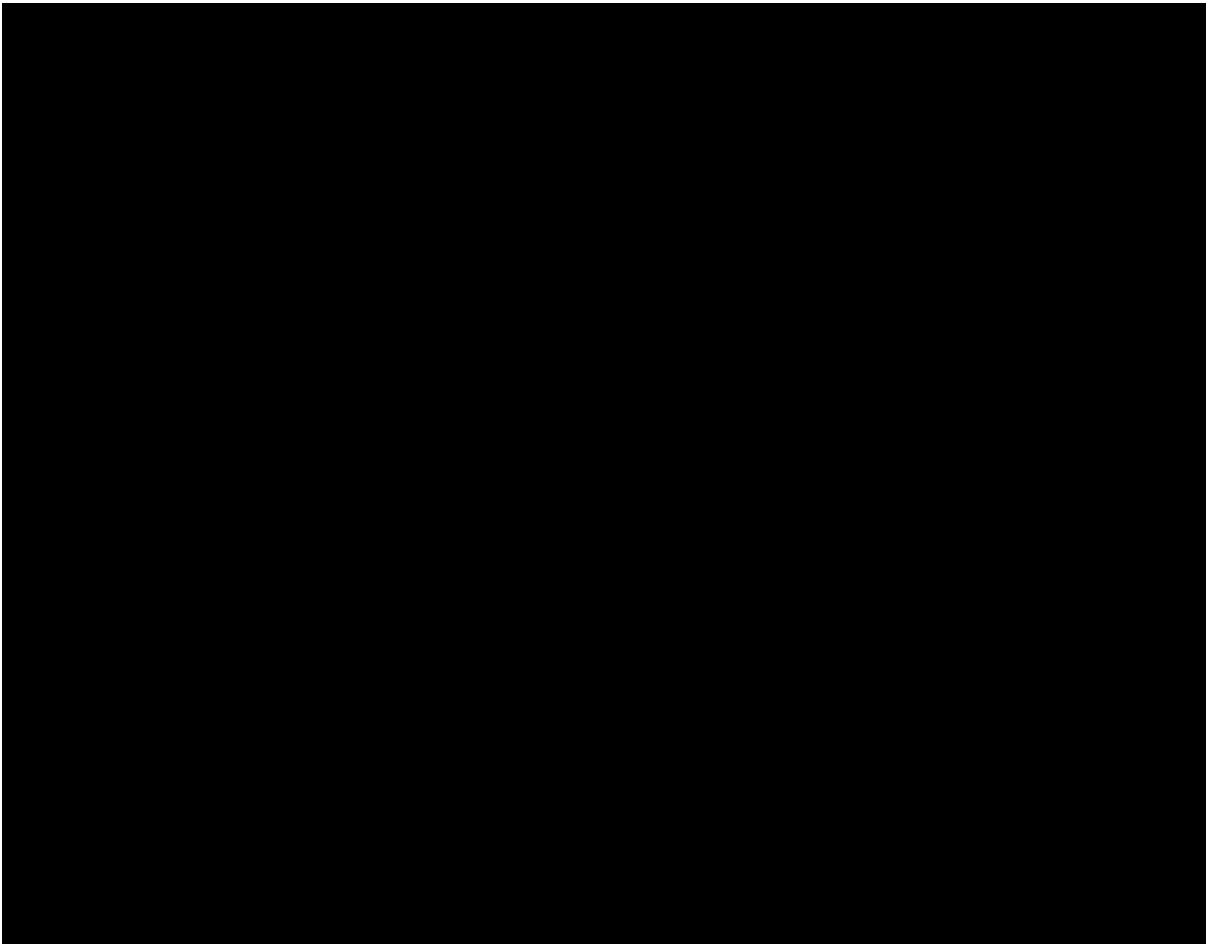
17 BY MR. PENNOCK:

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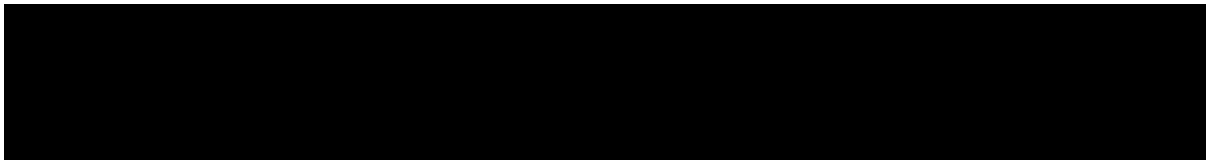
(Whereupon, Anda-Paonessa  
Exhibit-16, Sales Flyer; Are you  
Promoting All of These, was marked  
for identification.)

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BY MR. PENNOCK:

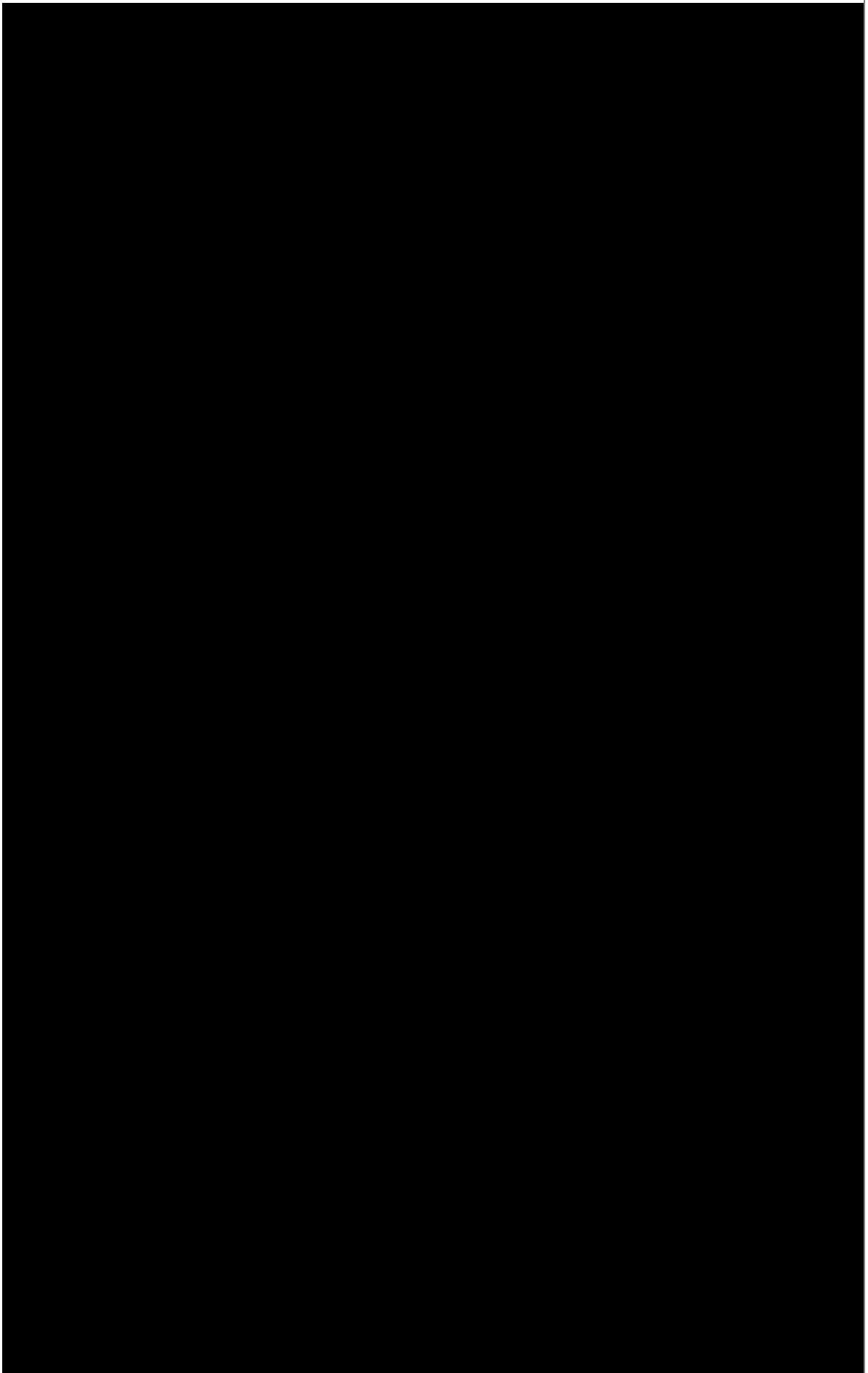
Q. Let me show you Exhibit-16.  
This is Anda\_Opioids\_MDL\_0000611426.

A. Okay.

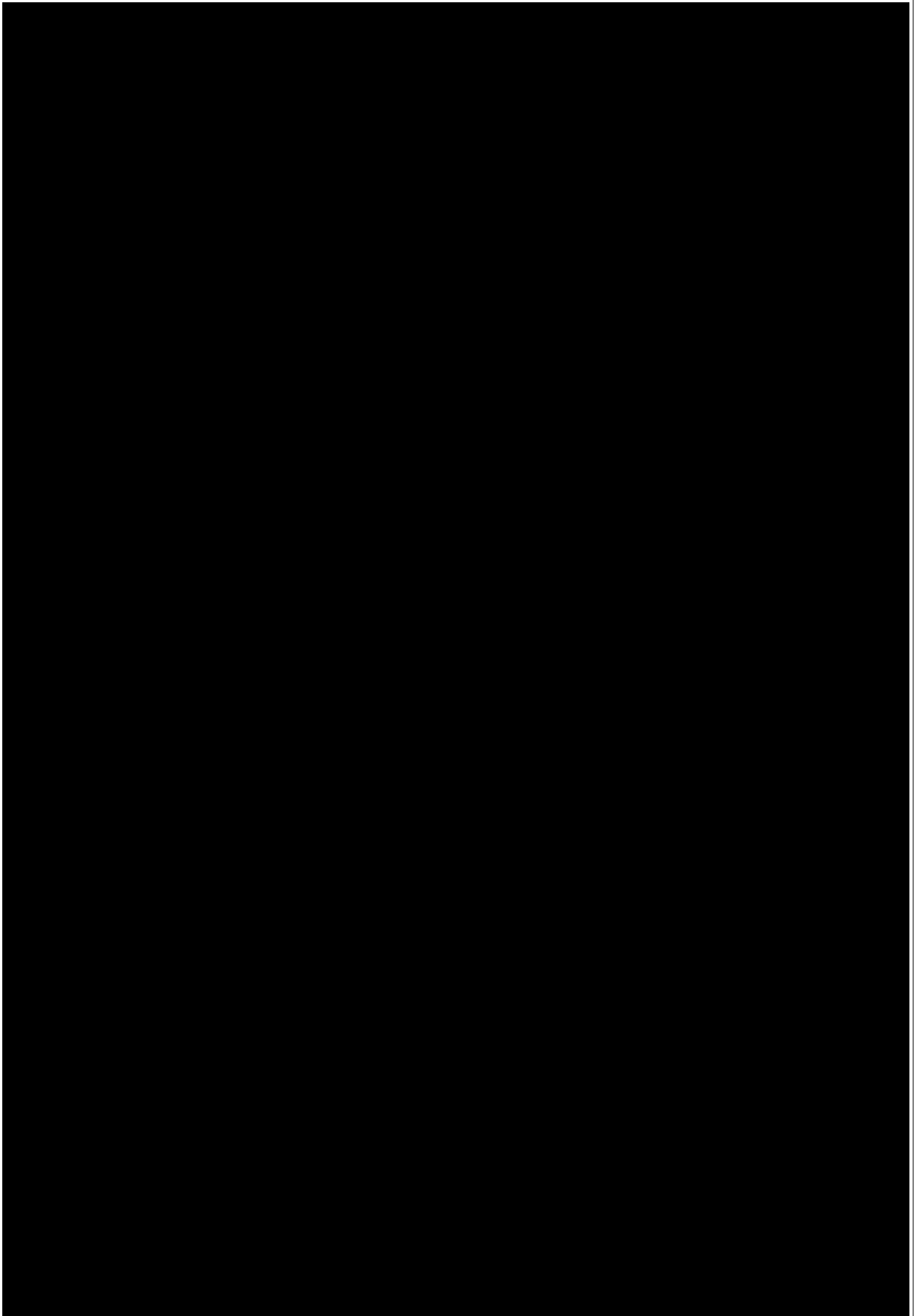




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MS. KOSKI: Wait for a  
question.

— — —

(Whereupon, Anda-Paonessa

Exhibit-17, Anda; Oxycodone 5%

Off, was marked for

identification.)

— — —

BY MR. PENNOCK:

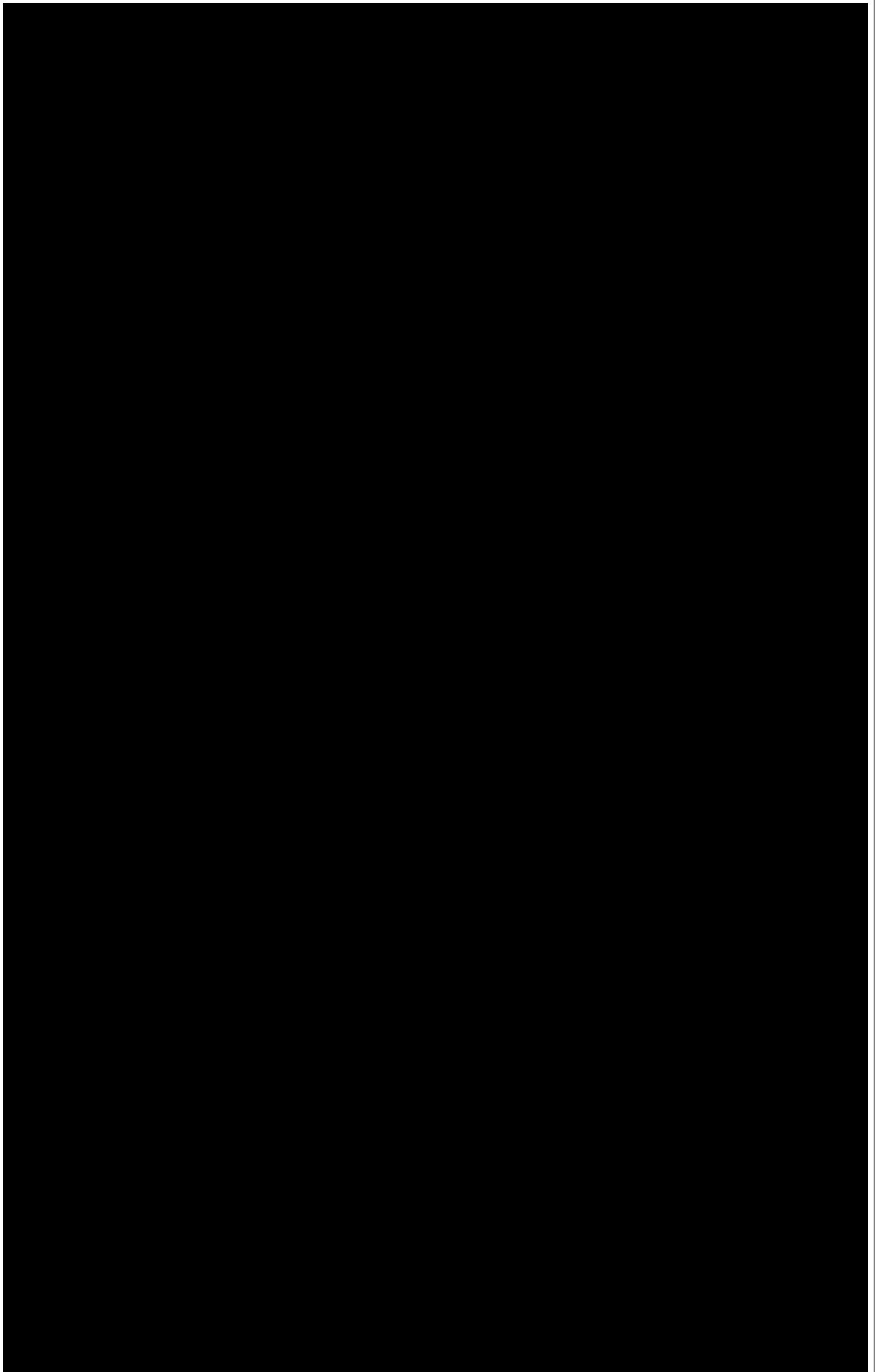
Q. Exhibit-17 bears Bates

number Anda\_Opioids\_MDL\_0000611413.

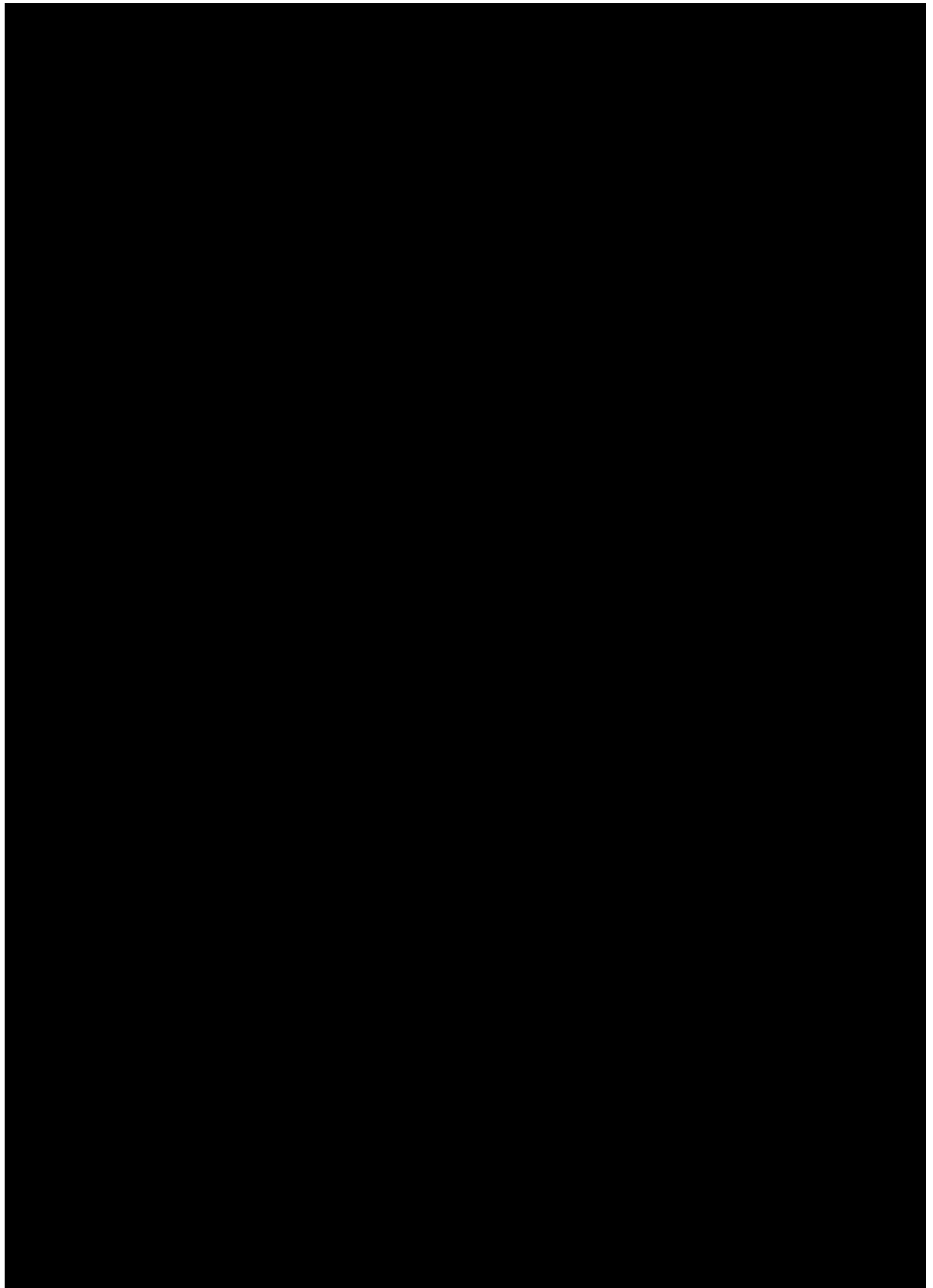
A. Yes.

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22                   Q.       But Protonics hasn't killed  
23       a quarter million people in the United  
24       States, has it?

1 MS. KOSKI: Object to form.  
2 Lacks foundation.

3 - - -

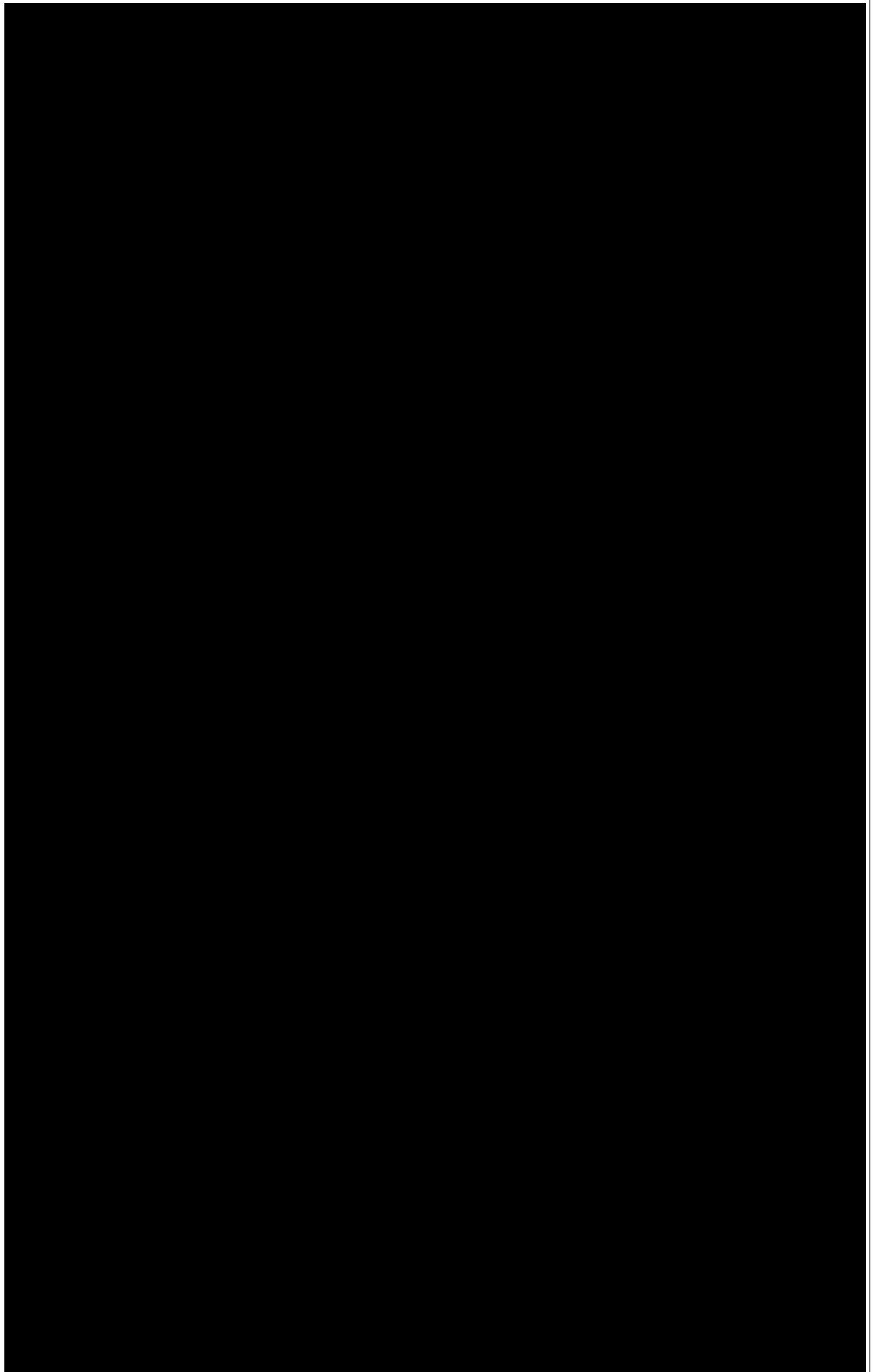
4 (Whereupon, Anda-Paonessa  
5 Exhibit-18,  
6 Anda\_Opioids\_MDL\_0000610161, was  
7 marked for identification.)

8 - - -

9 BY MR. PENNOCK:



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MR. PENNOCK: I'm going to

7

take a break. Lunch is coming.

8

MS. KOSKI: 12:30?

9

MR. PENNOCK: Oh, 12:30.

10

MS. KOSKI: Do you want to

11

power through to 12:30?

12

MR. PENNOCK: We'll take a

13

break right now.

14

VIDEO TECHNICIAN: Going off

15

record. The time is 12:19.

16

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17

(Whereupon, a luncheon

18

recess was taken.)

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20

VIDEO TECHNICIAN: We are

21

back on record. This is the

22

beginning of Media File Number 4.

23

The time is 1:11.

24

BY MR. PENNOCK:



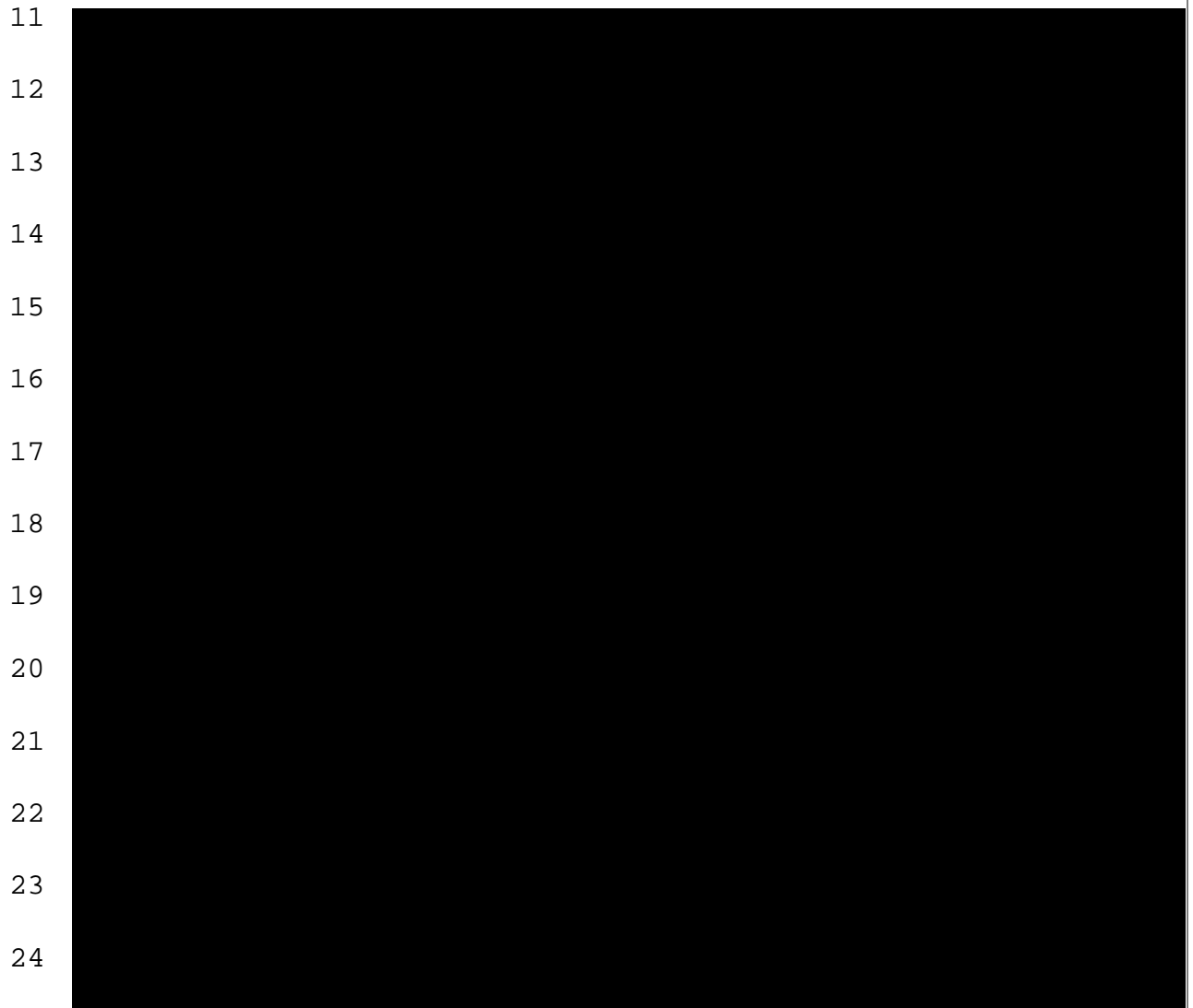
1           Q.     Mr. Paonessa, let me show  
2     you, please, what's been marked now as  
3     Exhibit-19 to your deposition.

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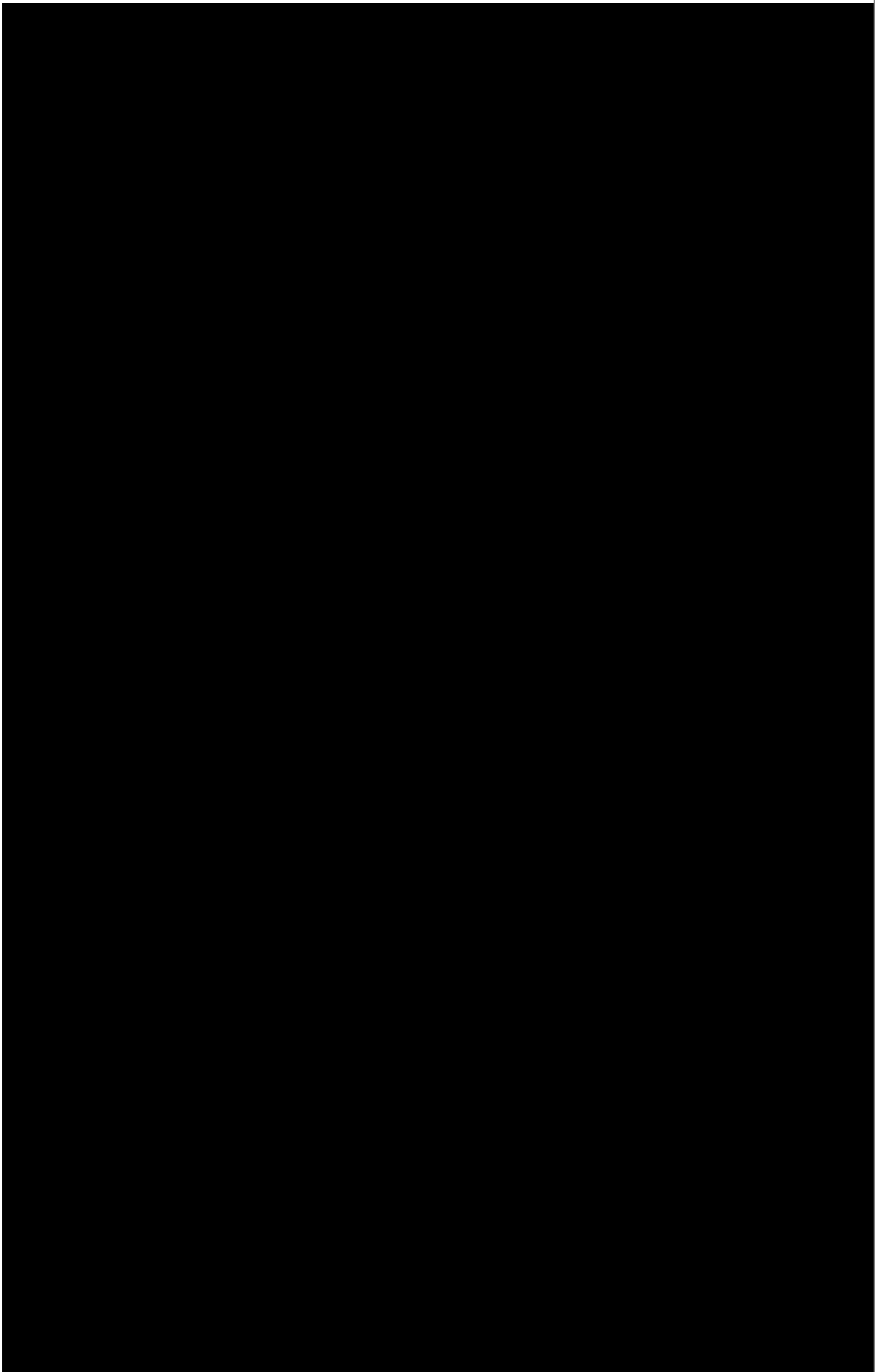
5                     (Whereupon, Anda-Paonessa  
6             Exhibit-19,  
7             Anda\_Opioids\_MDL\_0000610178-184,  
8             was marked for identification.)

9                     -   -   -

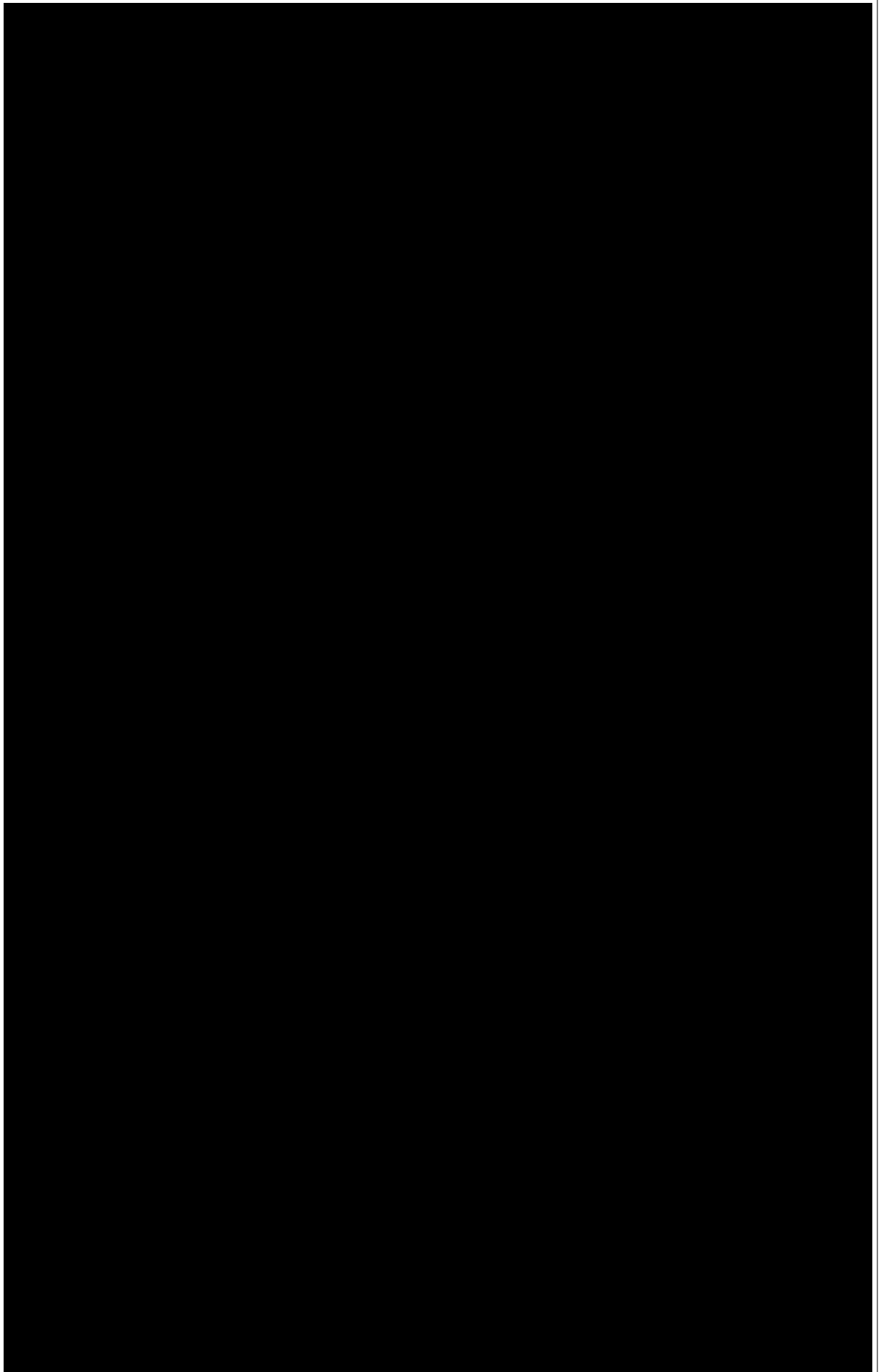
10    BY MR. PENNOCK:



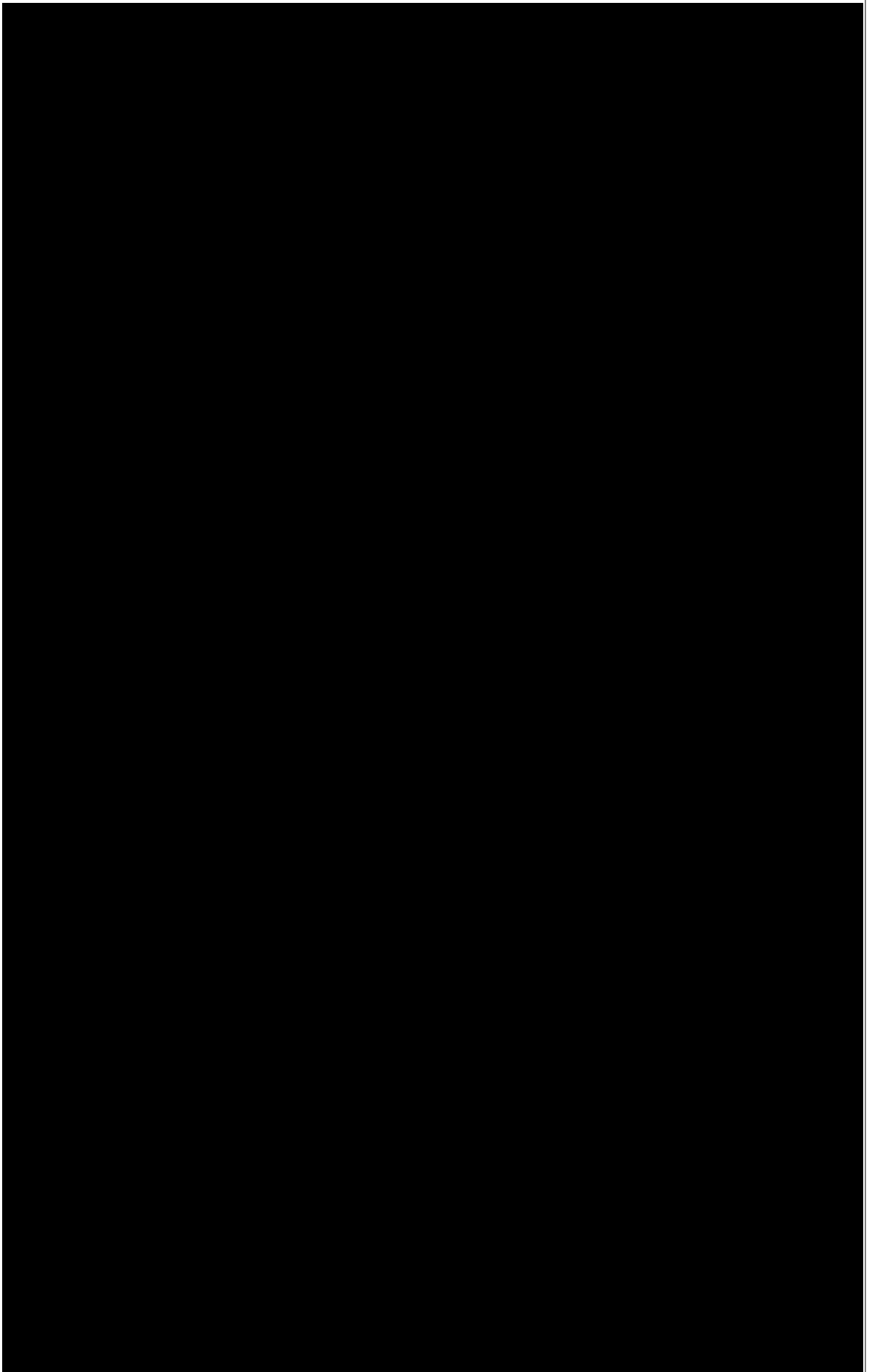
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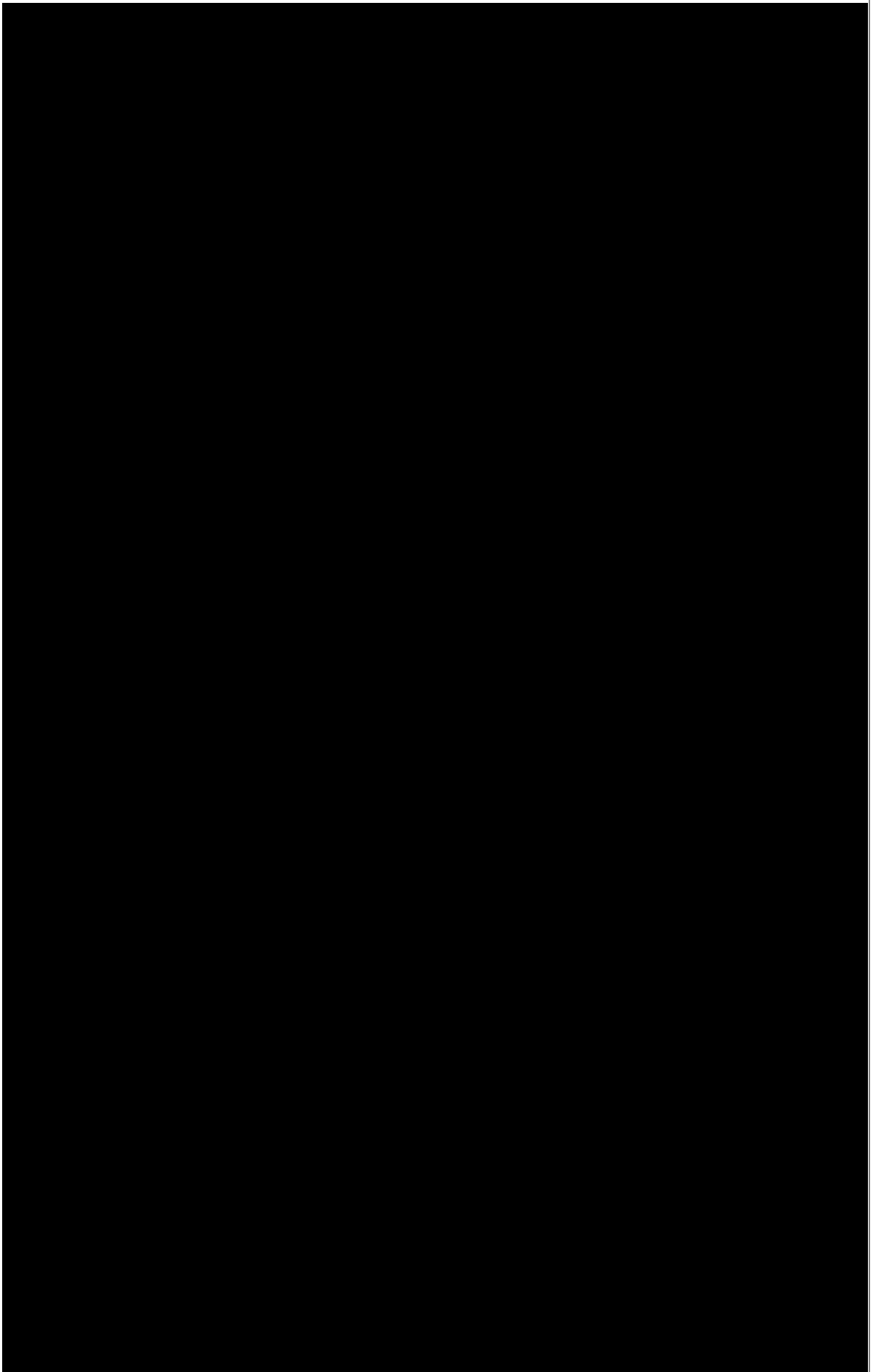
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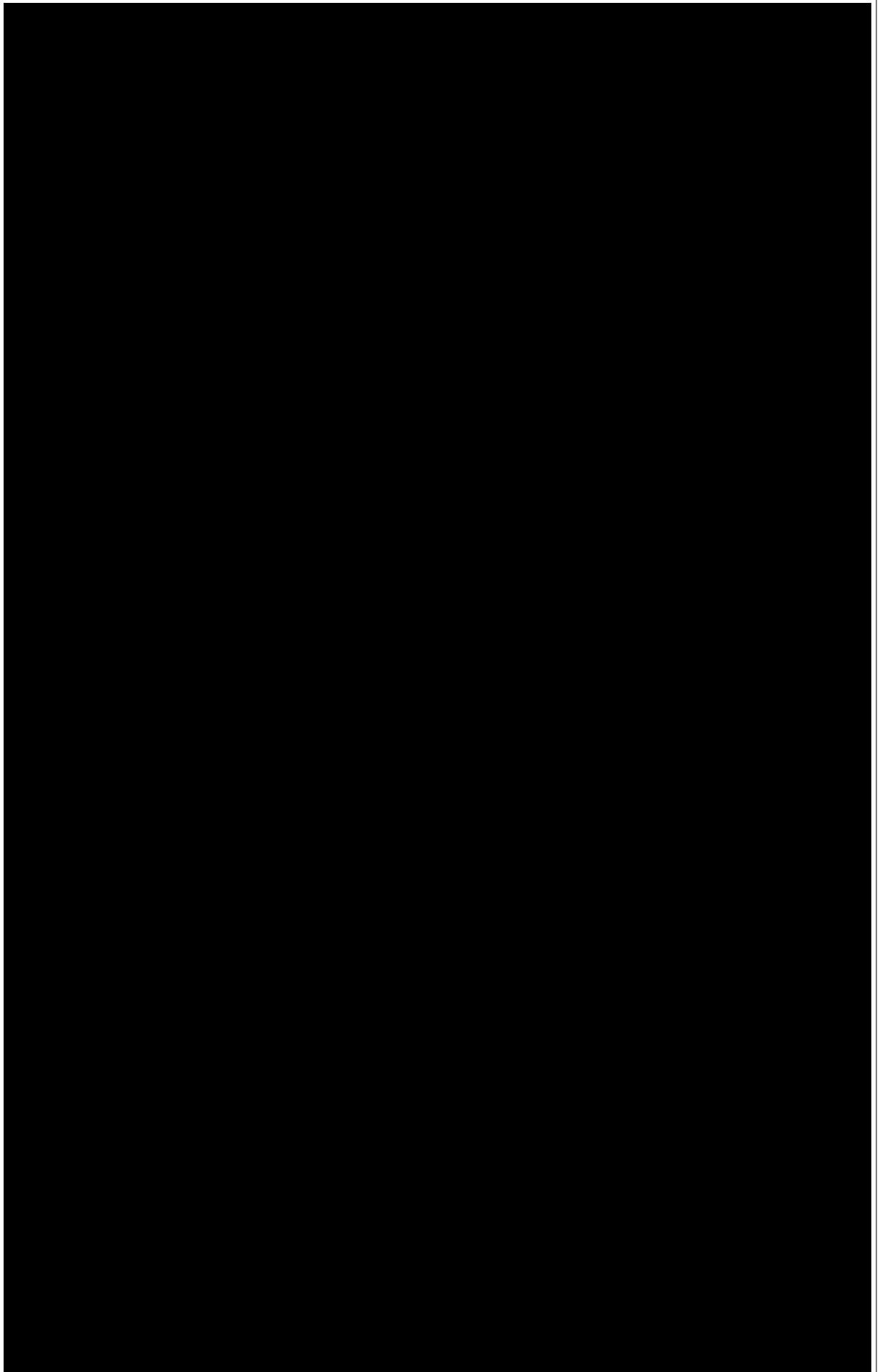
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Q. Okay.

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MR. PENNOCK: I'm sorry,  
10 sir. I need to mark that as  
11 Exhibit-20.

12

Exhibit-20 of your  
13 deposition is a --

14

MS. KOSKI: Now you're  
15 testing my eyes.

16

MR. PENNOCK: -- Bates  
17 number 0000612614.

18

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(Whereupon, Anda-Paonessa  
20 Exhibit-20,

21

Anda\_Opioids\_MDL\_0000612614, was  
22 marked for identification.)

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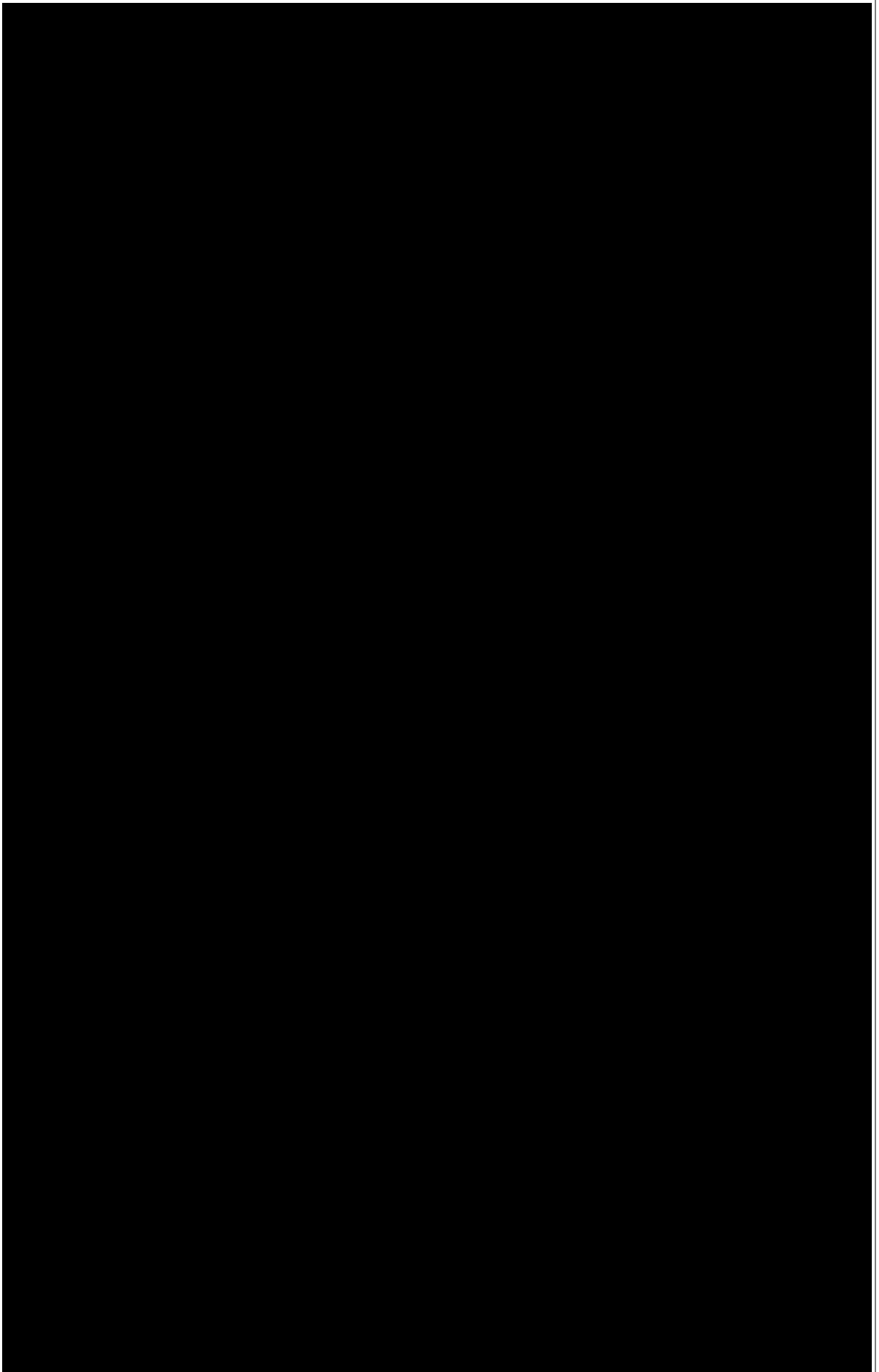
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BY MR. PENNOCK:

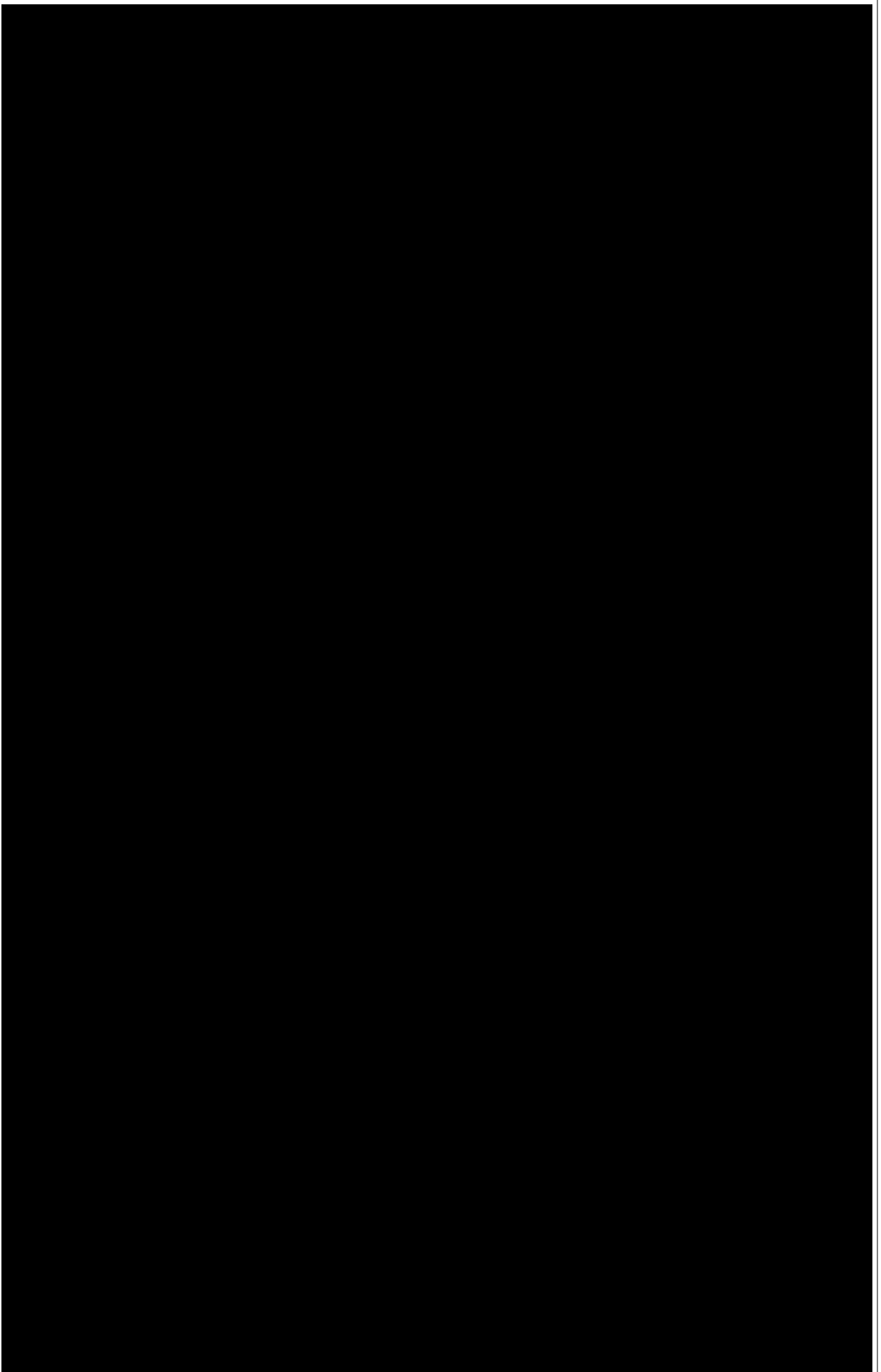
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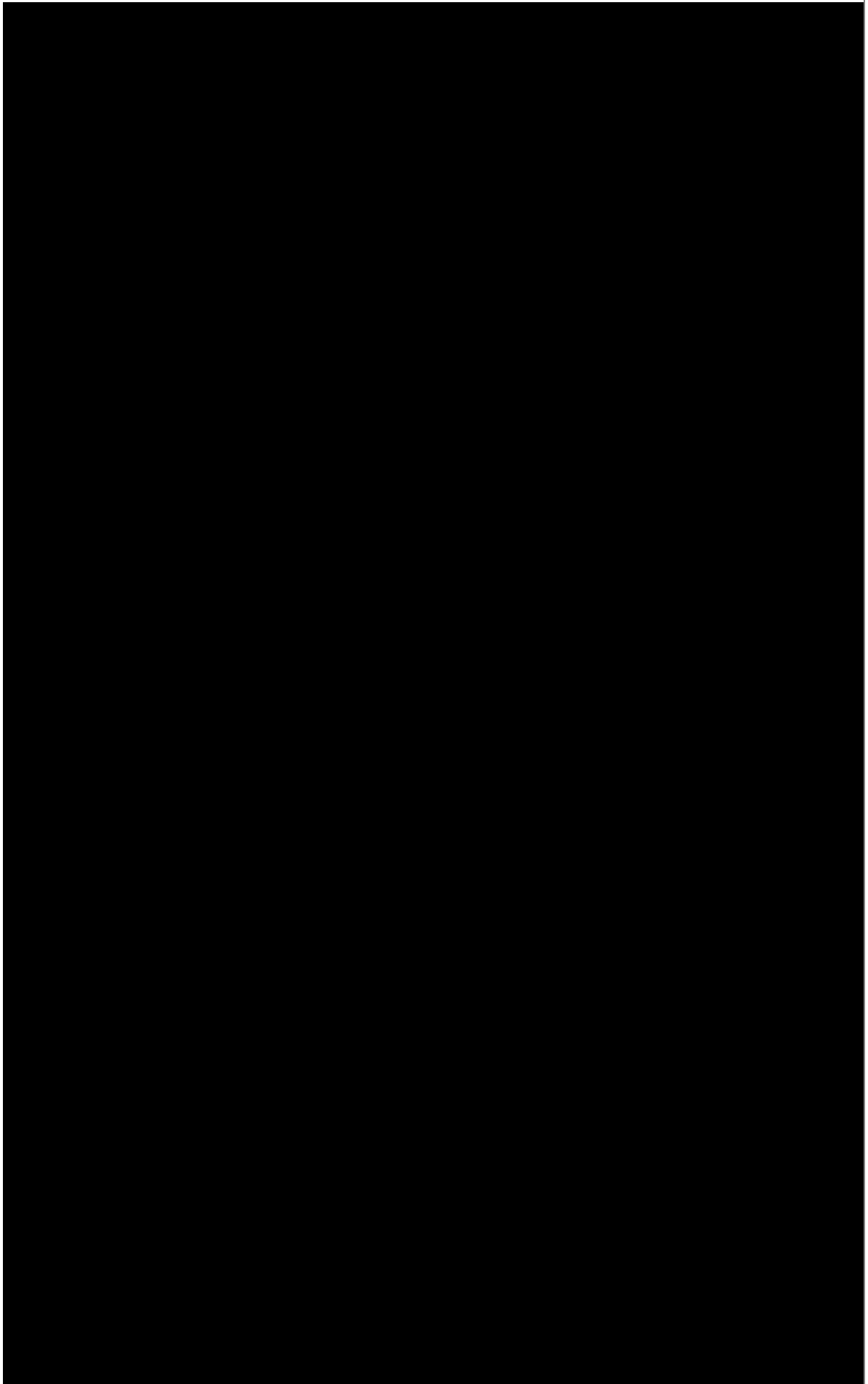
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8 BY MR. PENNOCK:

9 Q. But you told us a little  
10 while ago, Question -- do you remember  
11 this question and answer?

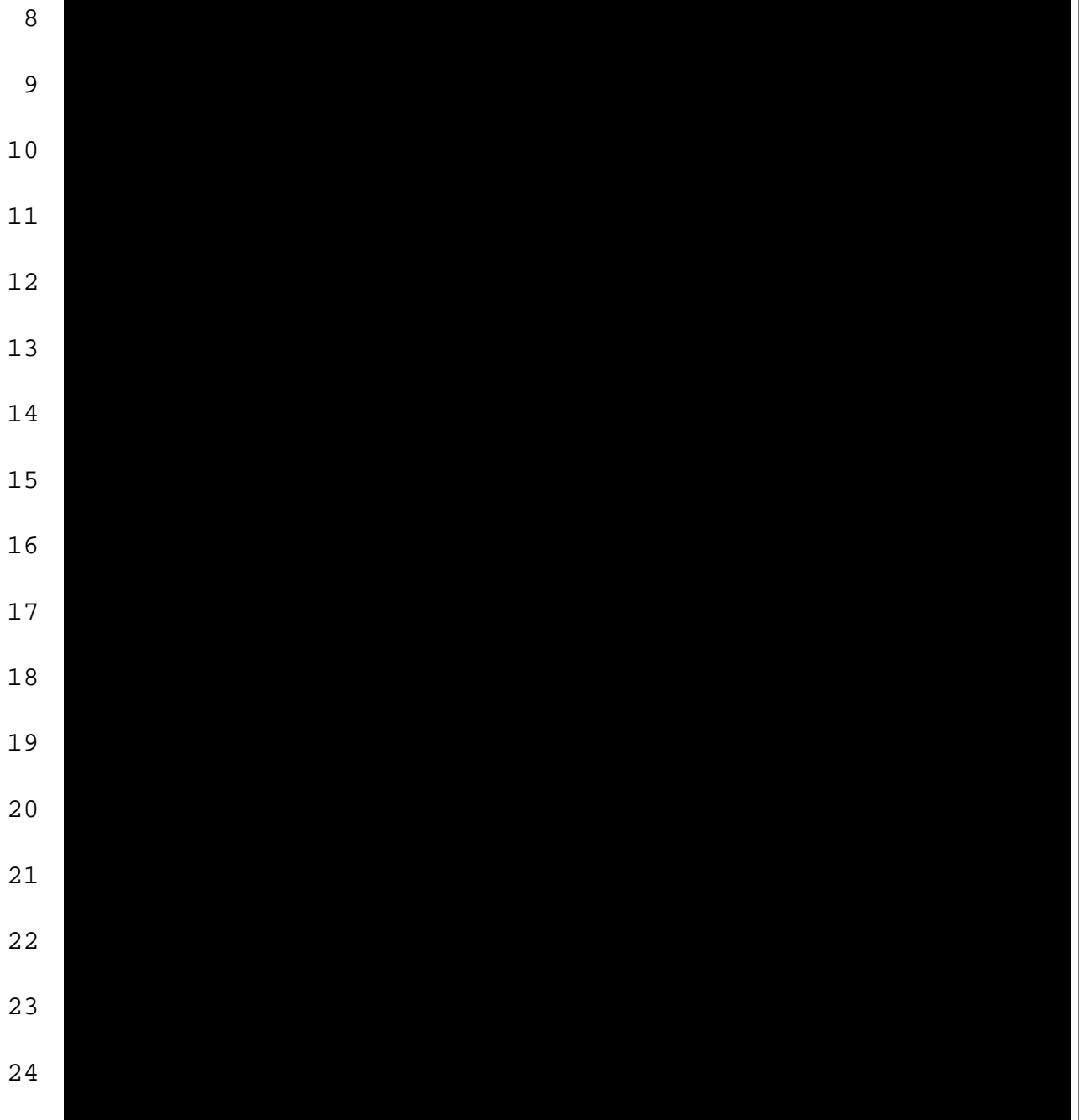
12 Question: You did not have  
13 any program, you didn't have any goal to  
14 sell opioids of any kind?

15 Answer: No. Absolutely no  
16 goal to sell opioids as a goal within our  
17 organization.

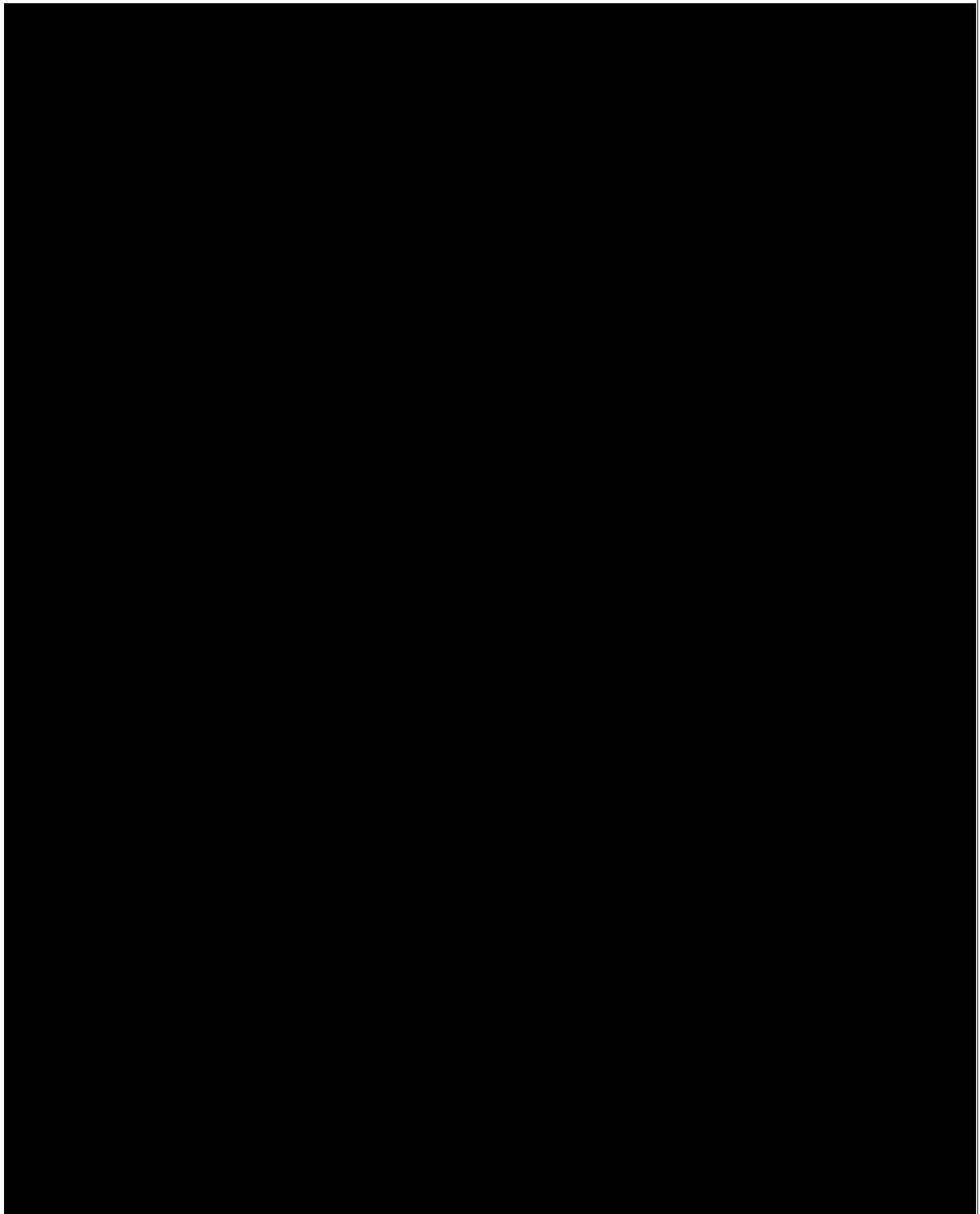
18 Do you remember that  
19 question and answer?

20 A. I do. And it's out of  
21 context, because that was -- you were  
22 describing what I understood as a goal, a  
23 promotional period, something that I  
24 could sell more of something.

1                   This was to try to move  
2   product for Watson, still in the normal  
3   channels that we have, being able to be  
4   able to sell it. And, you know, still  
5   following the same rules and procedures  
6   we had of how much somebody could have of  
7   it.



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Q. I mean, I asked you at the beginning of the dep, you understand I'm relying, and we're all relying, on the truth of your answers here today, don't you?

1 MS. KOSKI: Objection. Move  
2 to strike your colloquy. You're  
3 mischaracterizing his testimony.

4 MR. PENNOCK: It's not  
5 colloquy.

6 THE WITNESS: Yes.

7 - - -

8 (Whereupon, Anda-Paonessa  
9 Exhibit-21,  
10 Anda\_Opioids\_MDL\_0000278594-615,  
11 was marked for identification.)

12 - - -

13 BY MR. PENNOCK:

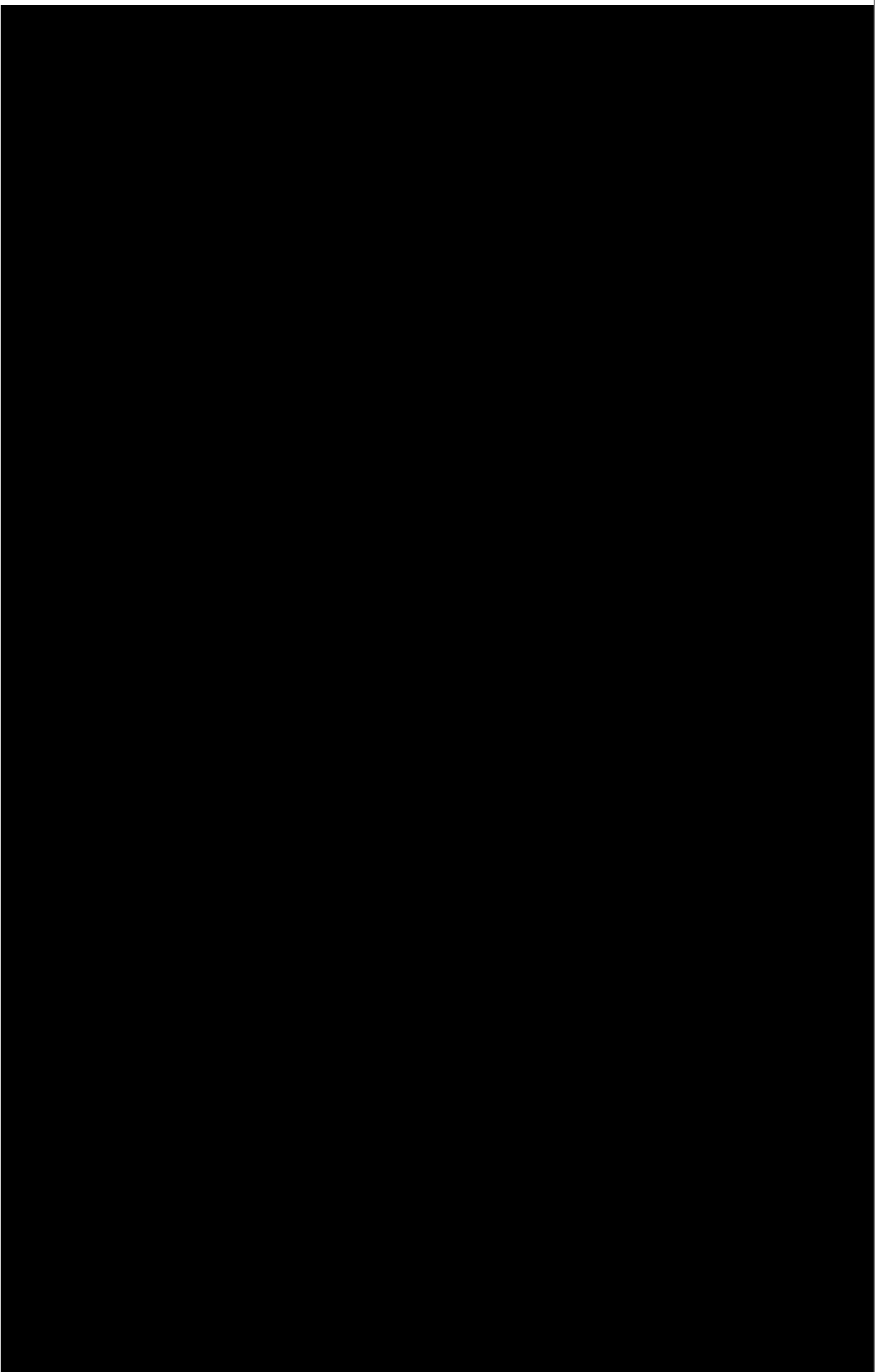
14 Q. I'm marking Exhibit-21 to  
15 your deposition, sir. It's 0000278594,  
16 and it ends at 615.

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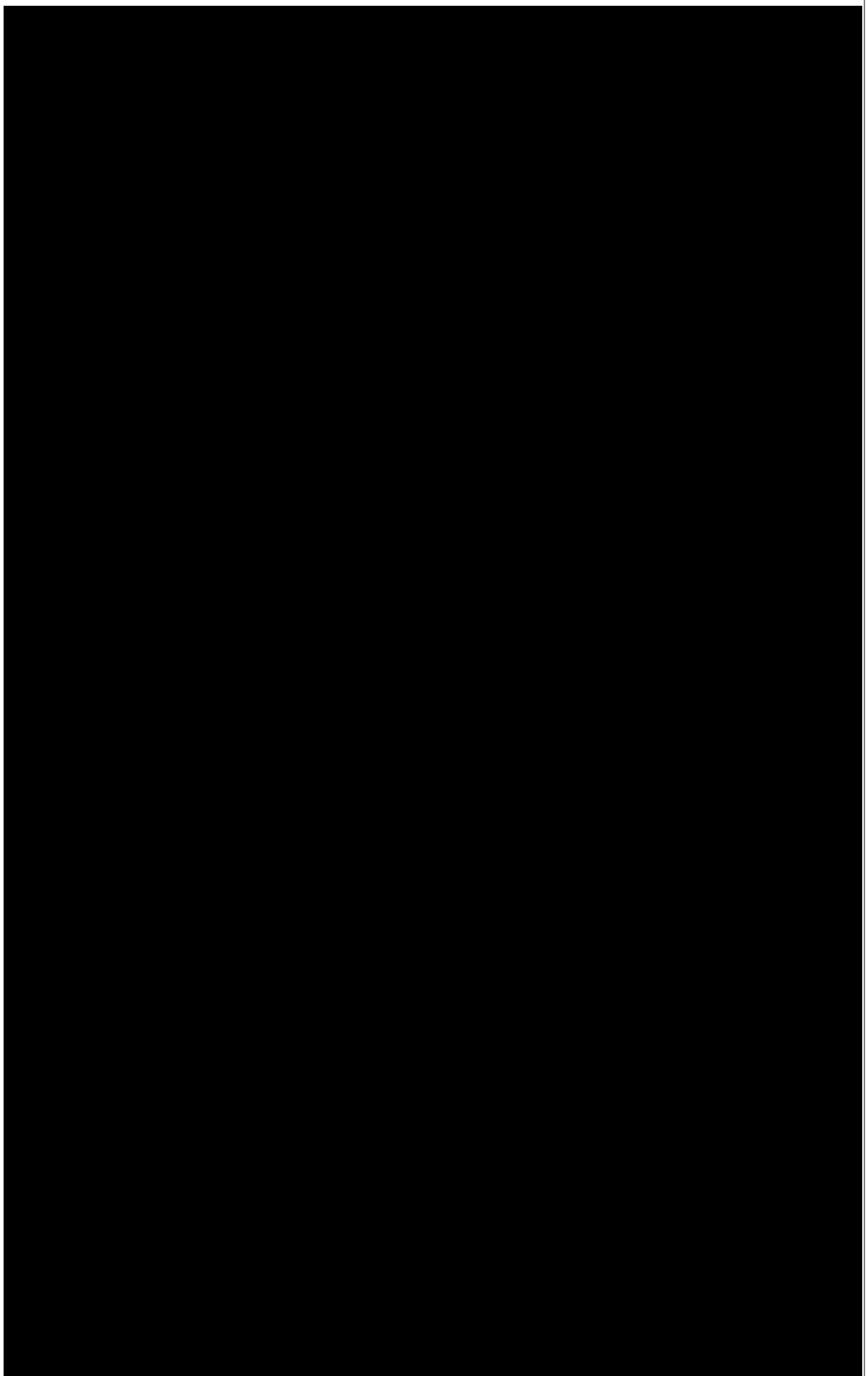
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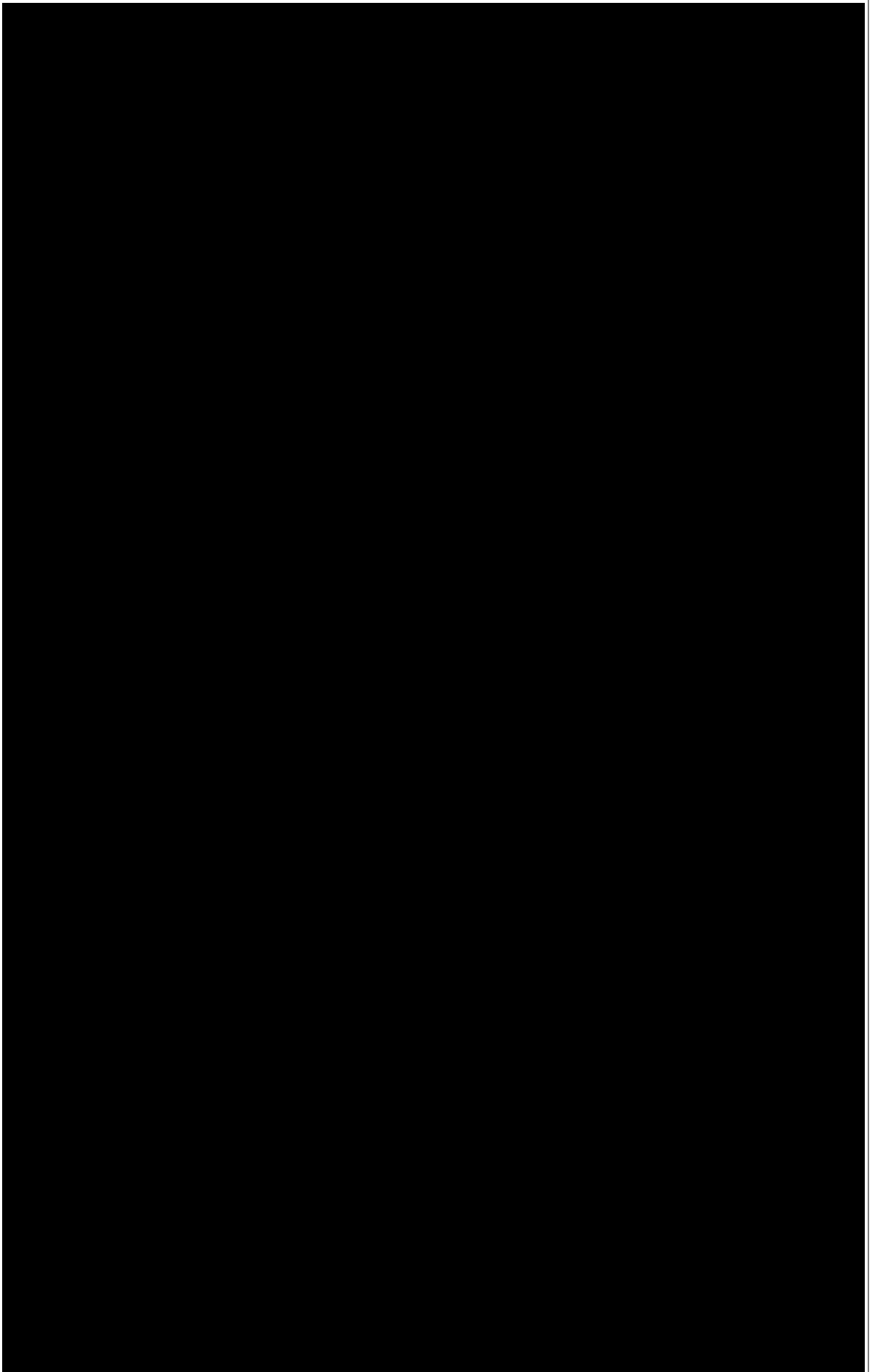
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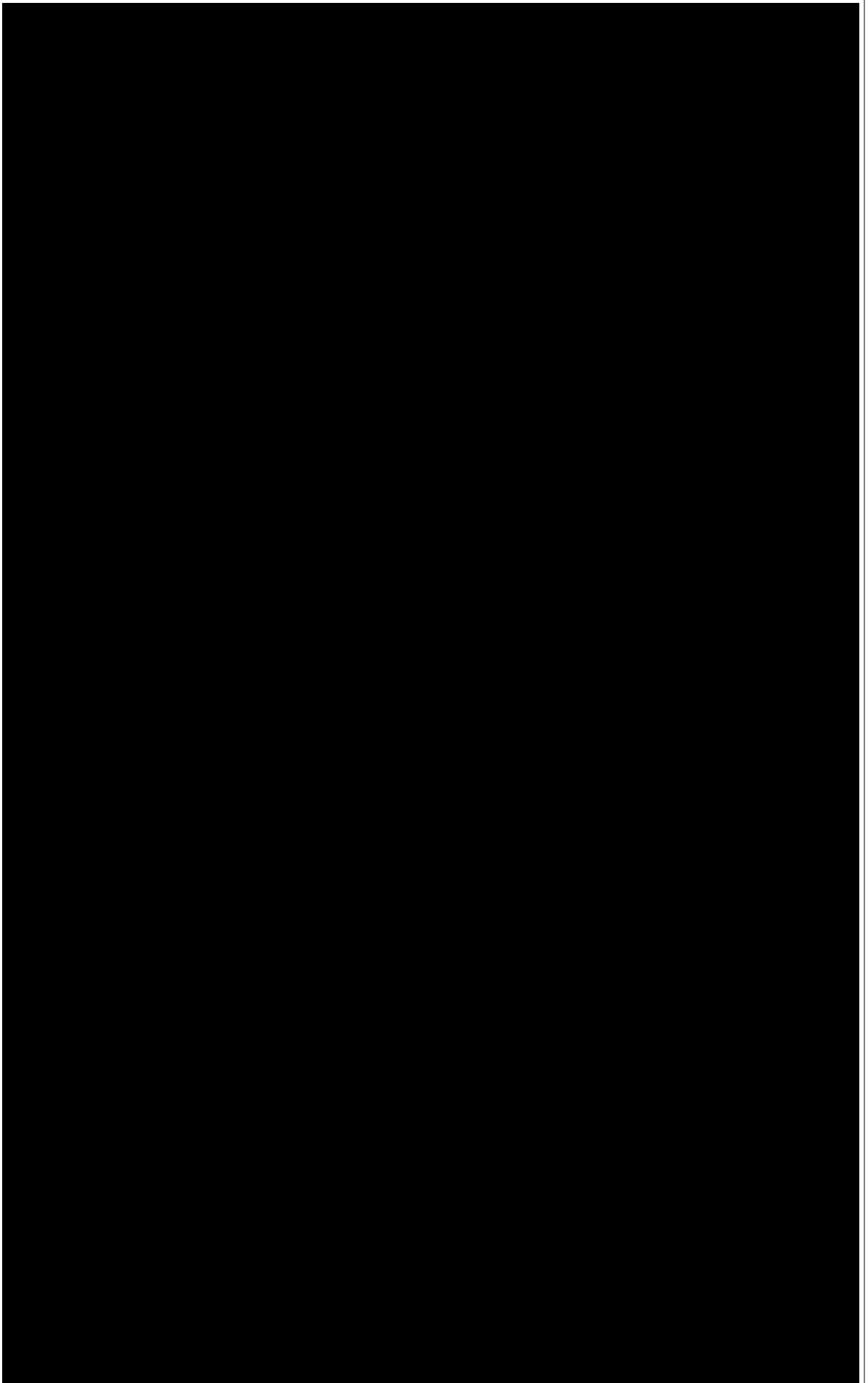
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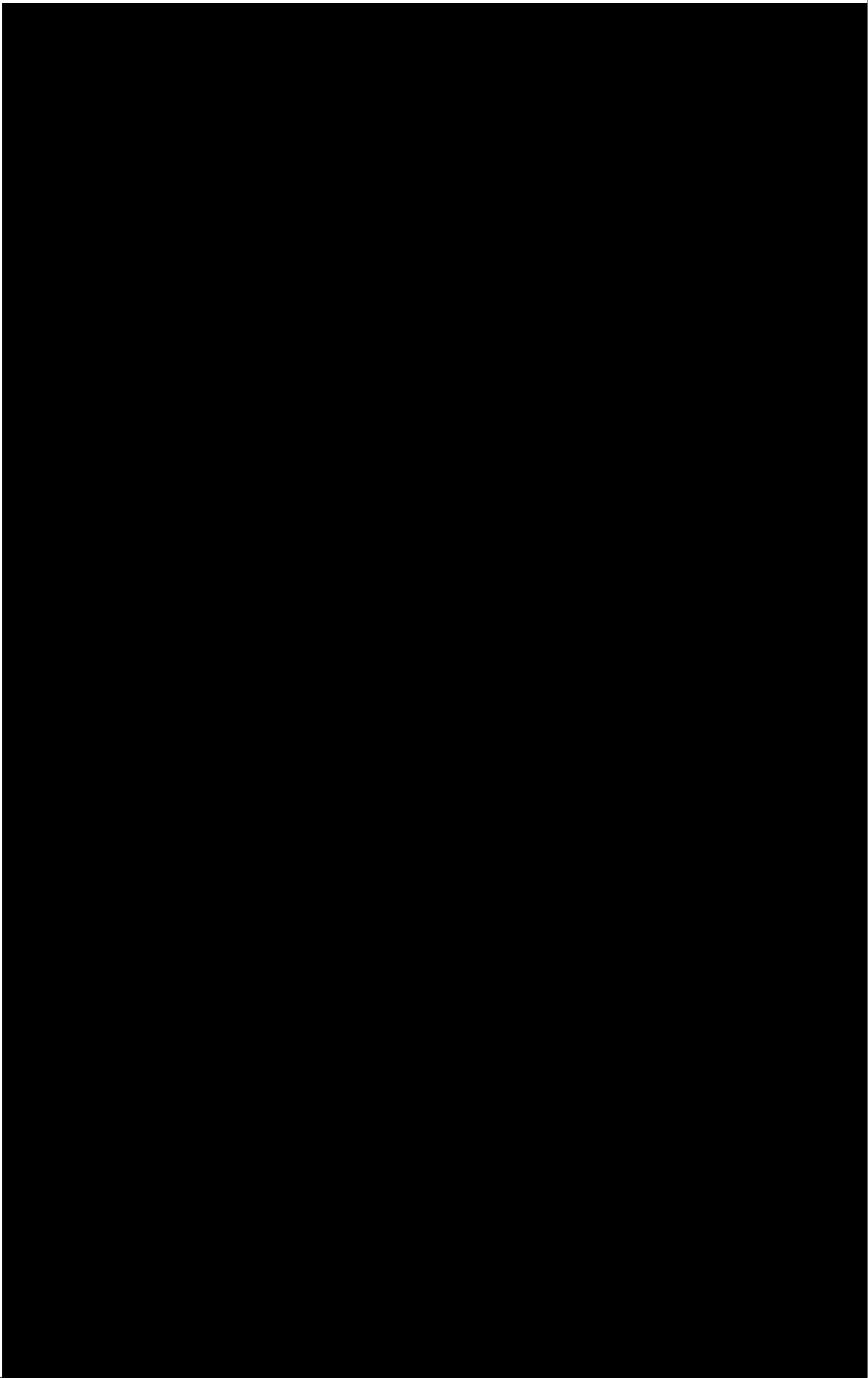
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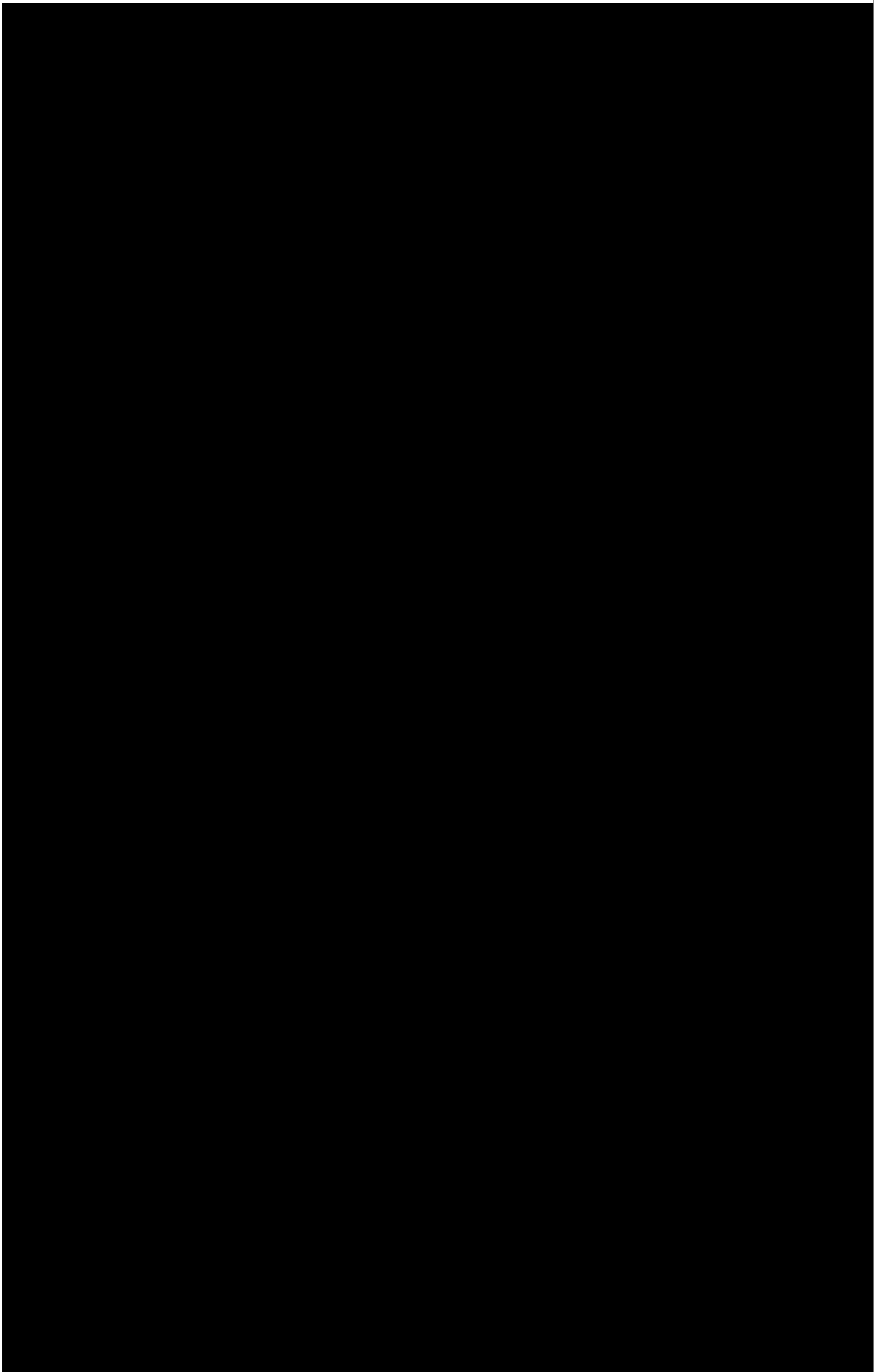


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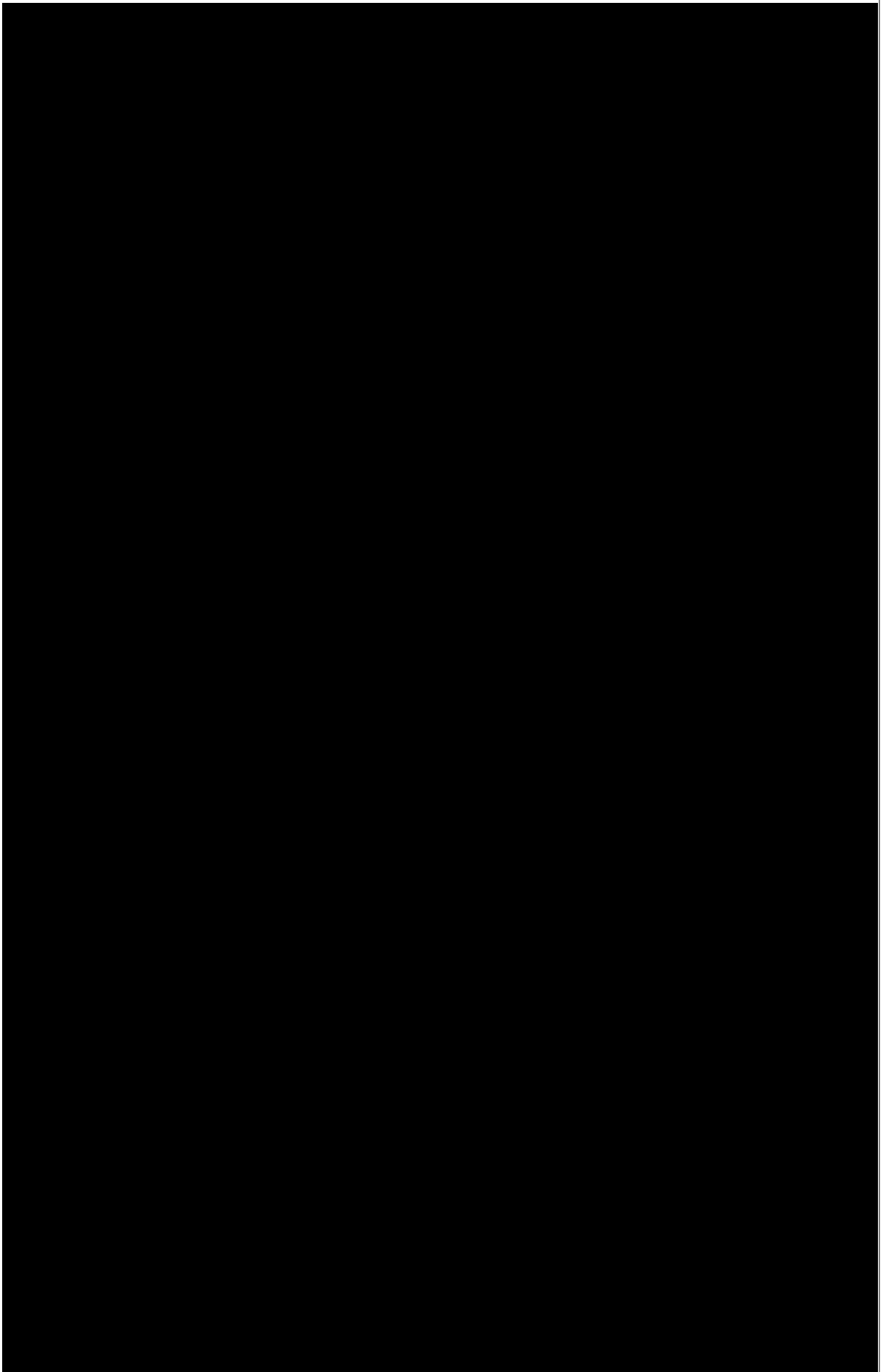


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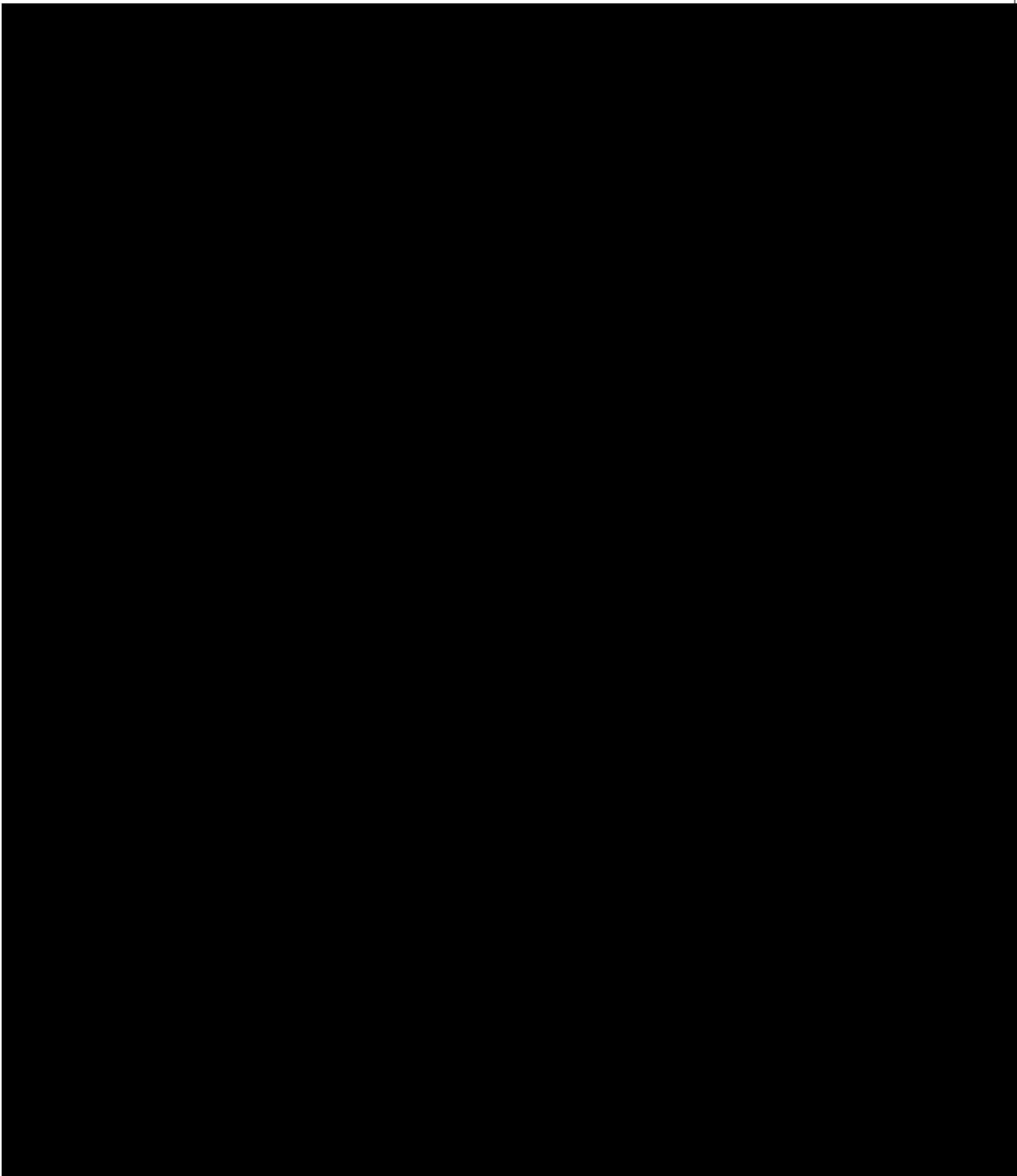


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(Whereupon, Anda-Paonessa  
Exhibit-22, US Department of  
Justice; 11/3/16; United States  
Reaches \$900,000 Settlement with  
Drug City Pharmacy and its Former

1                   Owner for Unlawful Distribution of  
2                   Controlled Substances, was marked  
3                   for identification.)

4                                   -   -   -

5       BY MR. PENNOCK:

6               Q.       I'll show you what's being  
7       marked as Exhibit-22 to your deposition,  
8       sir.

9               A.       Okay.

10              Q.       The title of this, this is  
11       an article -- I'm sorry, this is a press  
12       release from the United States Attorney's  
13       Office, District of Maryland, United  
14       States Reaches Settlement with Drug City  
15       Pharmacy and Its Former Owner for  
16       Unlawful Distribution of Controlled  
17       Substances.

18                           Do you see that?

19              A.       Yes.

20              Q.       And they say here, According  
21       to the settlement agreement, Drug City  
22       and Lichtman admitted that from January  
23       2010 to April 4, 2012, they dispensed  
24       controlled substances in a manner not

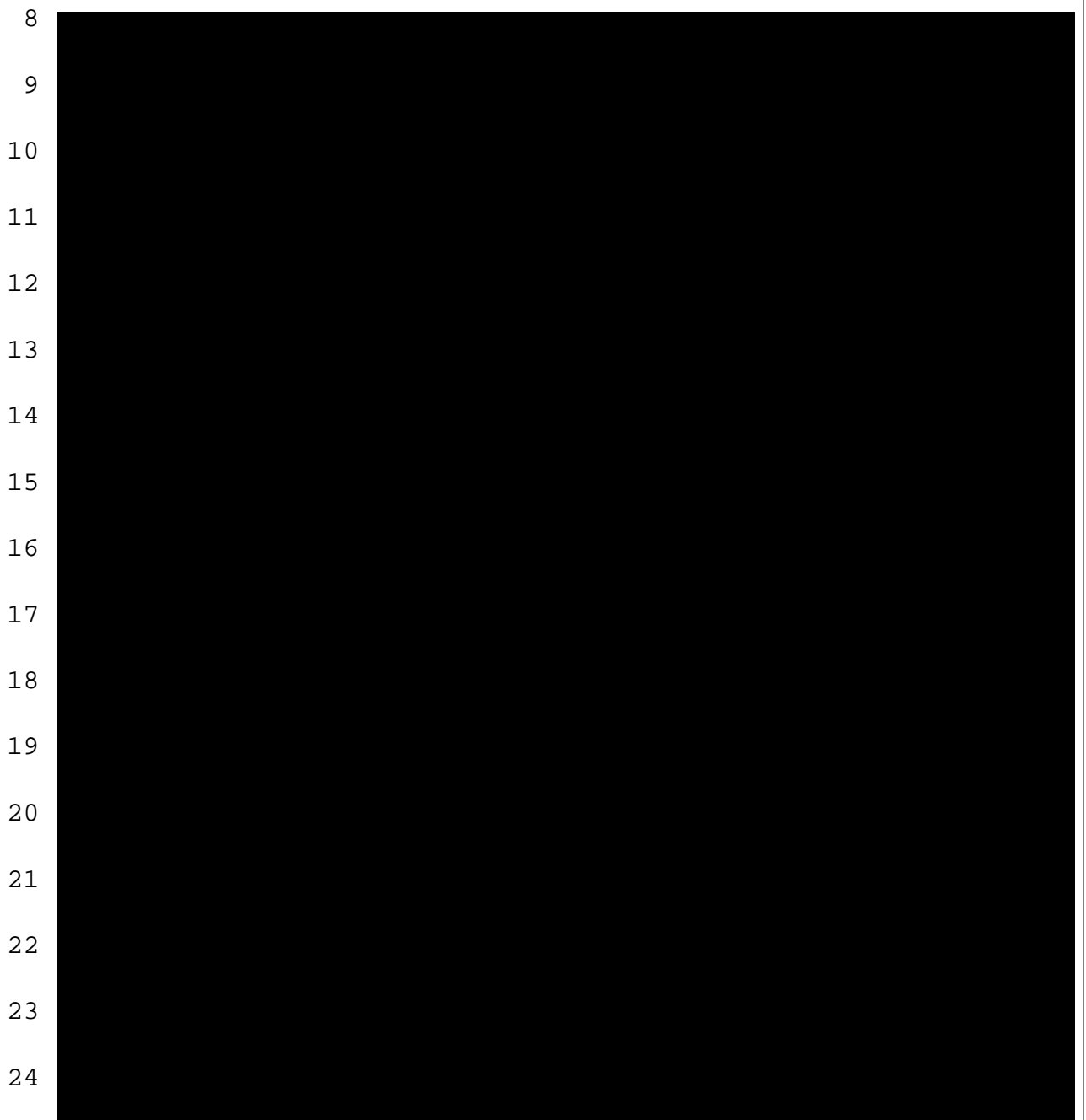
1 fully consistent with their compliance  
2 obligations under the Controlled  
3 Substances Act and related regulations.

4 Right?

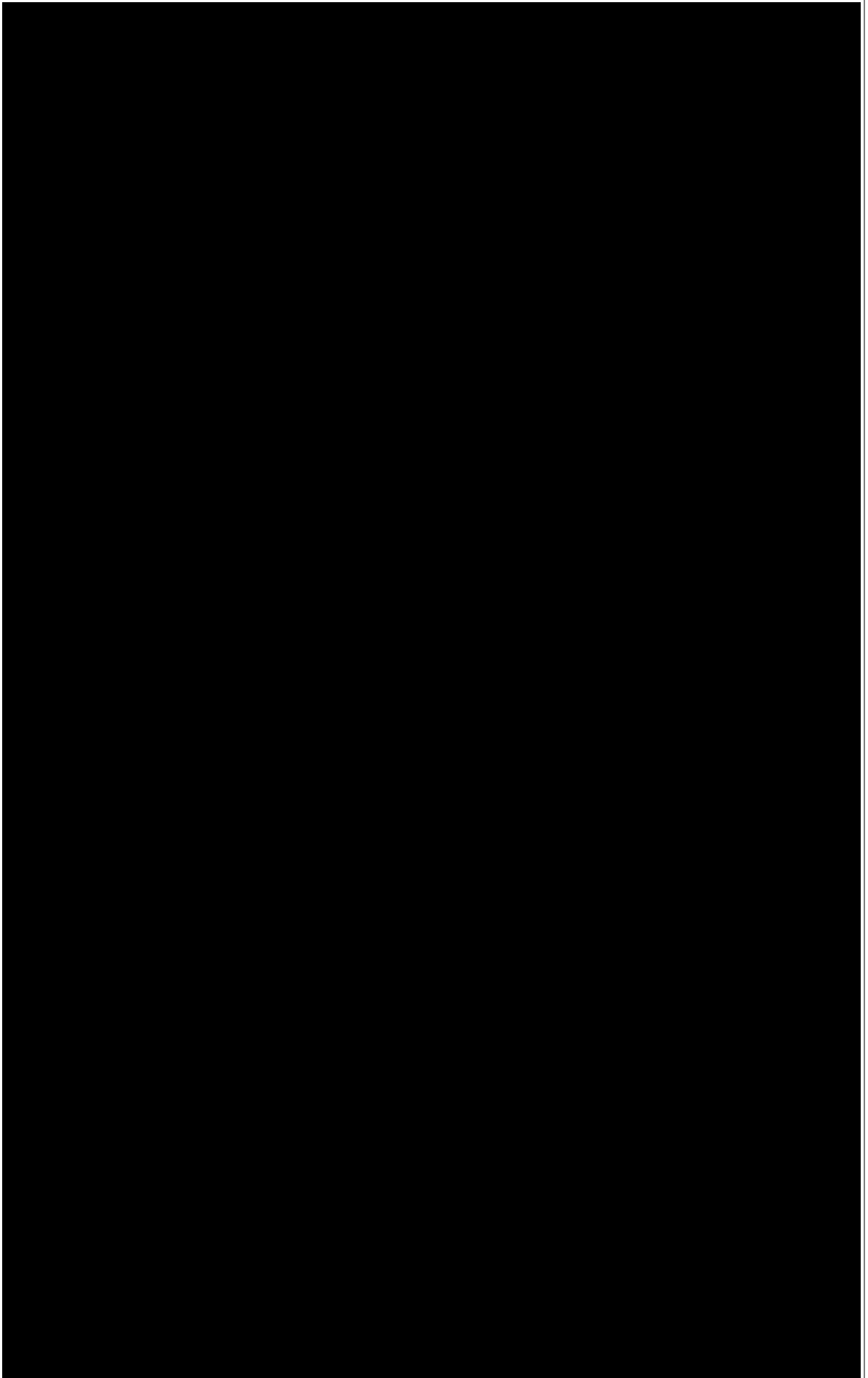
5 A. Yes.

6 Q. Do you see that?

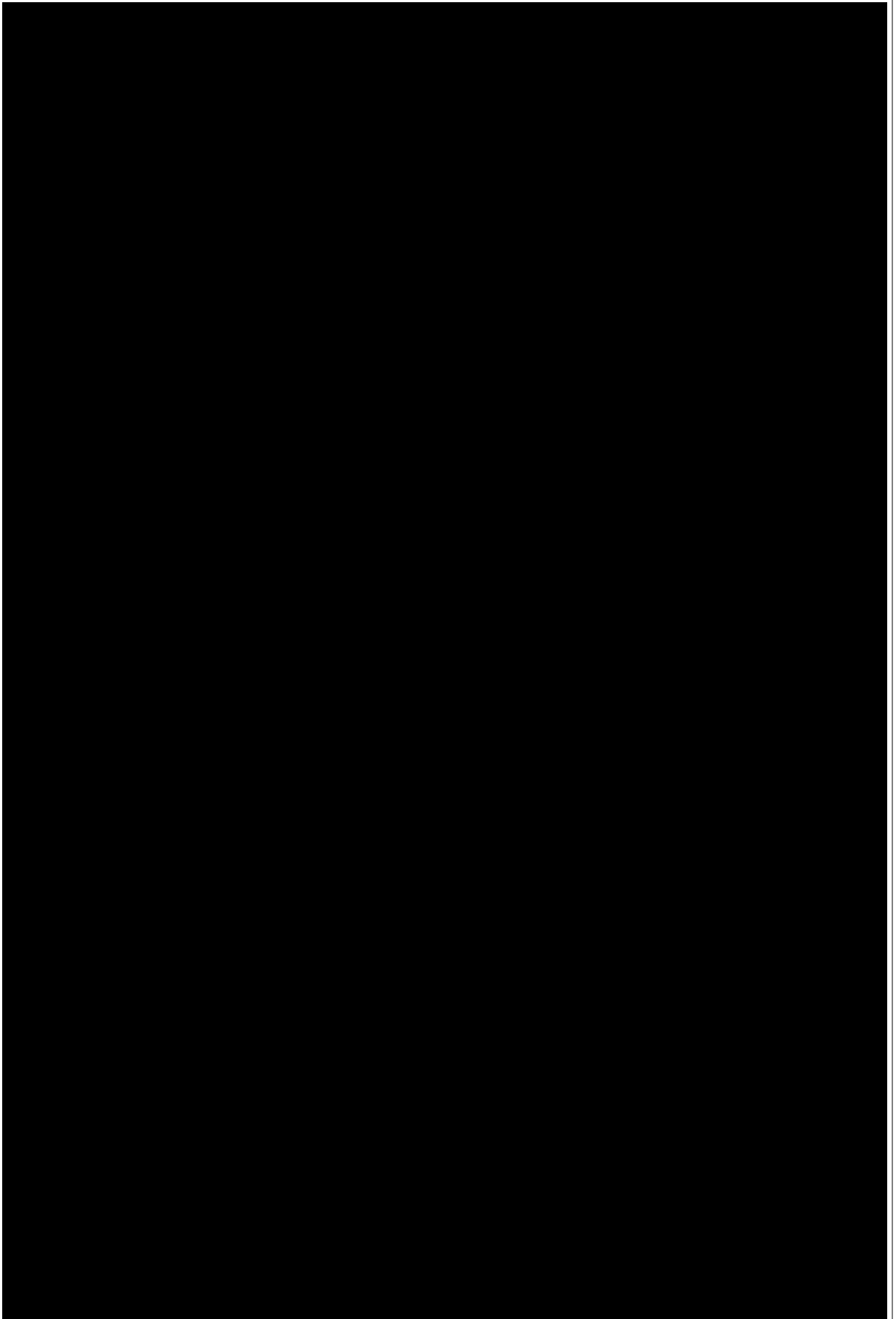
7 A. Yes.



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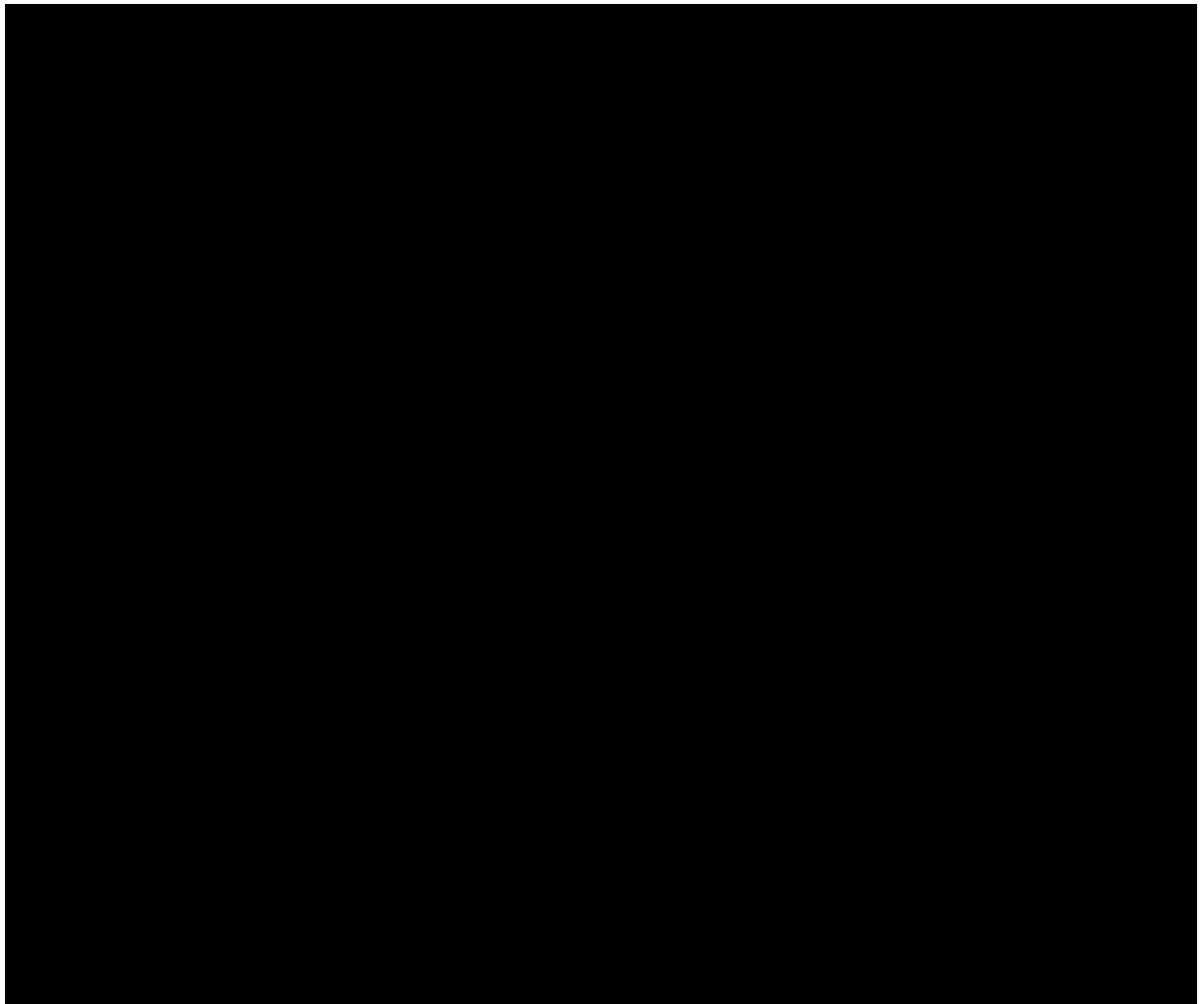
1 (Whereupon, Anda-Paonessa  
2 Exhibit-23,  
3 Anda\_Opioids\_MDL\_0000078404-405,  
4 was marked for identification.)

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6 BY MR. PENNOCK:

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(Whereupon, Anda-Paonessa  
Exhibit-24,  
Anda\_Opioids\_MDL\_0000078400-401  
was marked for identification.)

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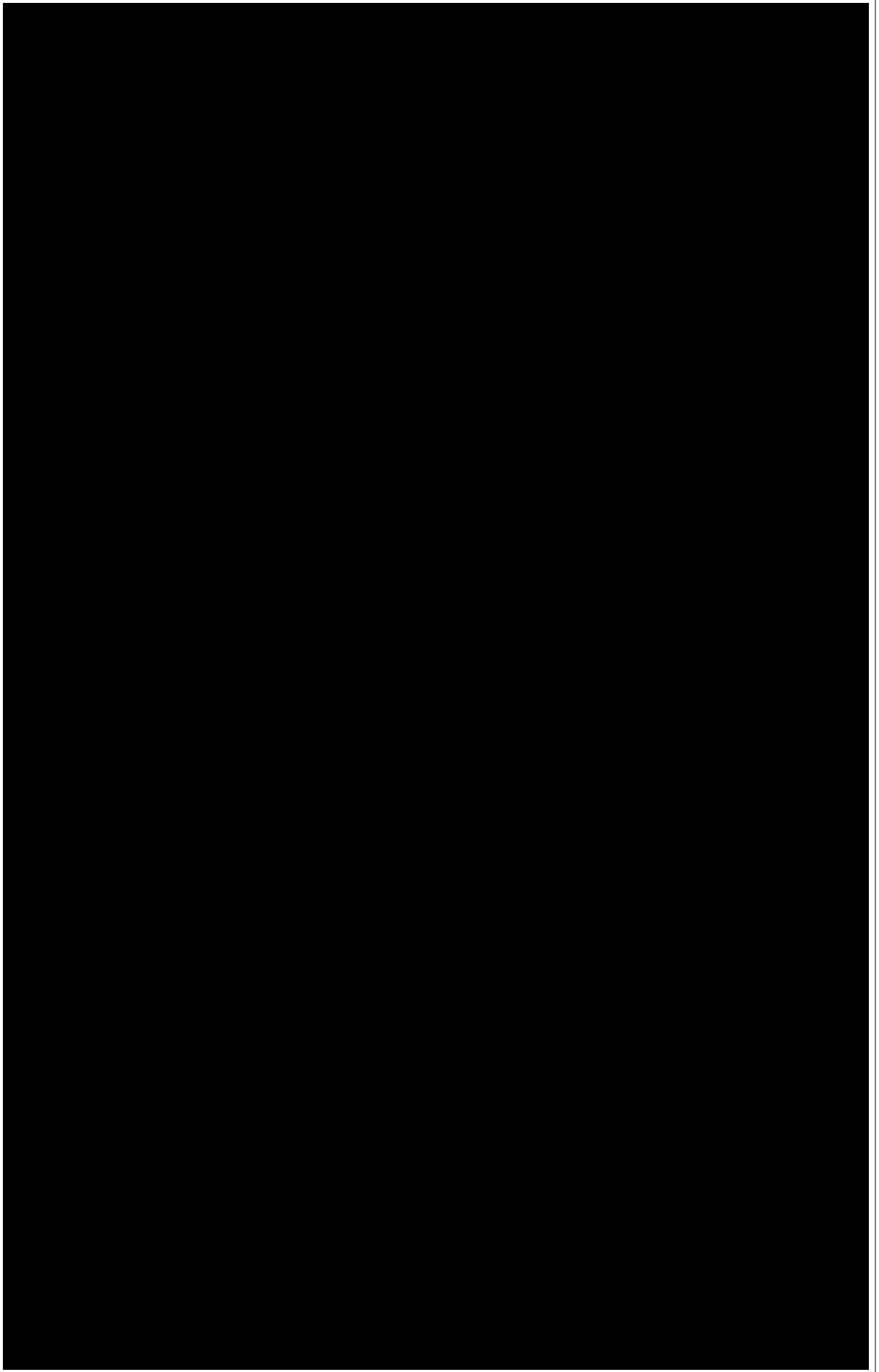
BY MR. PENNOCK:

Q. Exhibit-24 to your  
deposition is Bates number 0000078400.

A. Okay.

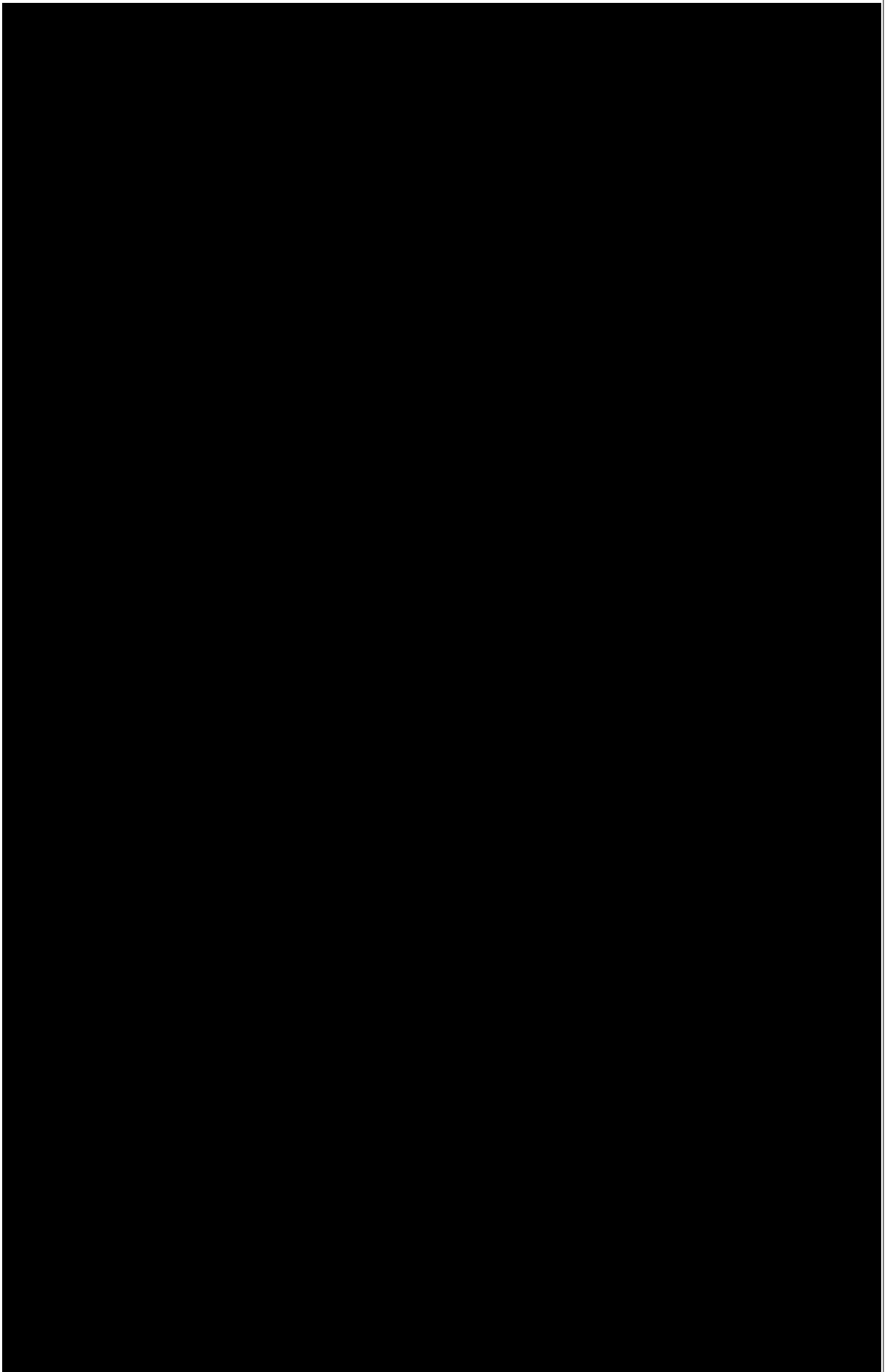


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14 Q. Which drug?

15 A. Drug City.

16 We talked to her about Drug  
17 City, and tried to get her -- do we know  
18 anything about Drug City? Do you see  
19 something that's a problem with Drug  
20 City? Showed her the data on them too.  
21 And she left that there wasn't a problem  
22 with them.

23 And even so, we still  
24 cancelled them from getting Oxy from us

1 almost a year ahead of time -- or, no,  
2 seven months.

3 Q. So you told her, Gayle Lane,  
4 that there was a problem with Drug City?

5 A. No, I did not say there was  
6 a problem with Drug City. We showed our  
7 due diligence on Drug City and asked her  
8 opinion on it, because we went to the DEA  
9 many times to ask their opinion of how we  
10 were doing our due diligence.

11 And she did not have a  
12 problem with Drug City with what we  
13 showed her that day.

14 Q. And so you didn't shut them  
15 down?

16 A. Not when the DEA told me, I  
17 don't see an issue here.

18 Q. Do you have any  
19 documentation regarding this conversation  
20 you're alleging with Gayle Lane?

21 MS. KOSKI: Object to form.

22 THE WITNESS: I personally  
23 do not.

24 BY MR. PENNOCK:

1 Q. Do you know if it exists?

2 A. Possibly.

3 Q. What would be the form of  
4 that documentation of this conversation  
5 with the DEA?

6 A. Someone -- it would have had  
7 to be either Mike, Patrick or Jay  
8 Spellman, because the three of us sat  
9 with her that day that she would -- if  
10 one of them documented it.

11 It could even be in the due  
12 diligence of them that we talked to  
13 Gayle.

14 Q. Why is it that you brought  
15 up Drug City to her in 2011 and not, for  
16 example, in 2010, 2009?

17 A. Because the due diligence we  
18 were doing fell within the parameters  
19 that we felt were okay for that -- for  
20 that places and the size that they were.

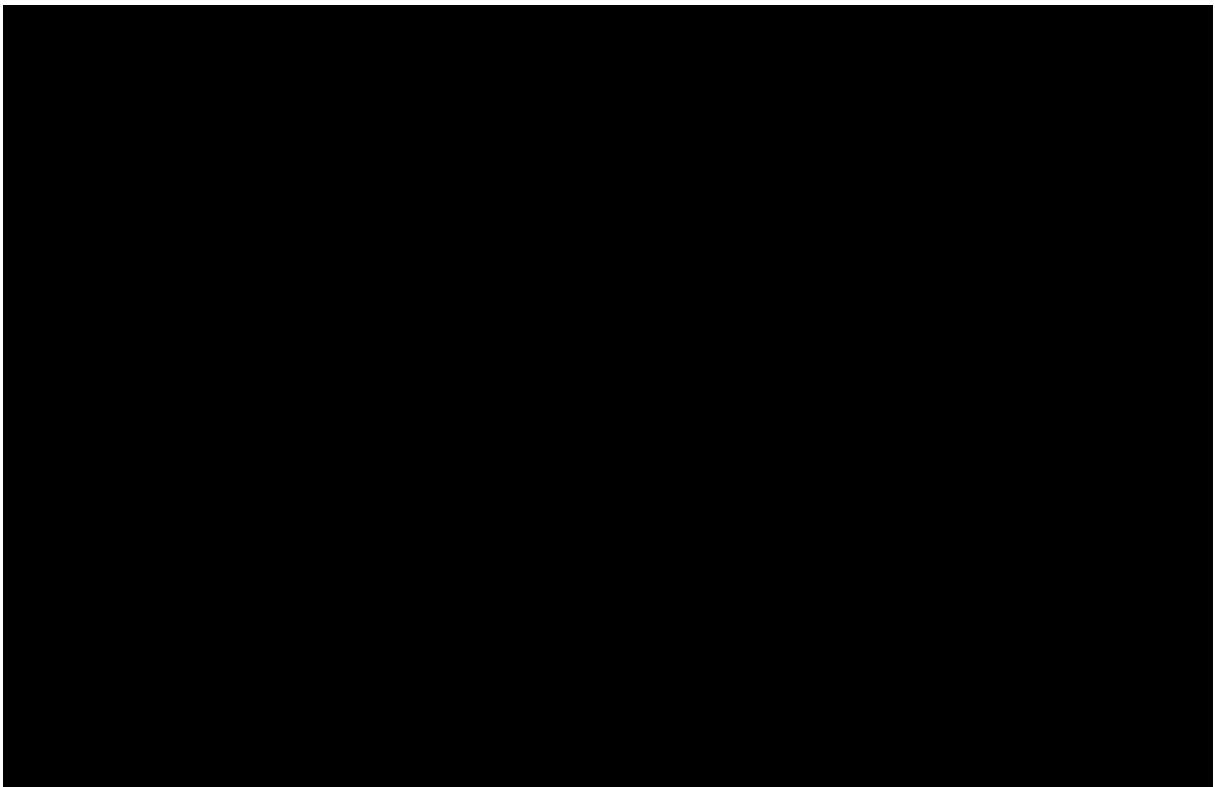
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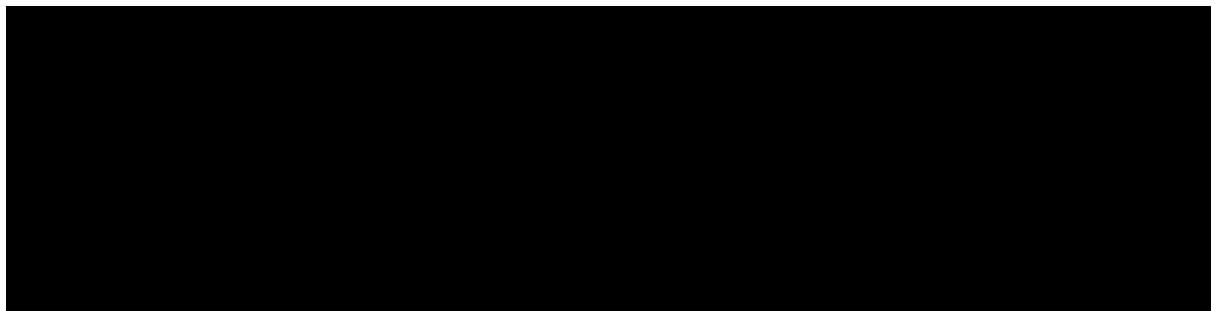
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(Whereupon, Anda-Paonessa  
Exhibit-25,  
Anda\_Opioids\_MDL\_0000282932, was  
marked for identification.)

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BY MR. PENNOCK:



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Q. You just told us that you  
had done your due diligence on Drug City  
and had indicated, for the time that you

1     were selling them until the end, that  
2     they were okay to sell to. I think you  
3     said something about because of their  
4     size.

5                     Do you remember that? I can  
6     get you the exact quote, if you want it.

7             A.     Yes.

8             Q.     So you told her, Gayle Lane,  
9     that there was a problem with Drug City?

10                    No, I did not say there was  
11    a problem with Drug City. We showed her  
12    our due diligence on Drug City and asked  
13    her her opinion on it. Because we went  
14    to the DEA many times to ask their  
15    opinion about how we were doing our due  
16    diligence. And she said she did not have  
17    a problem with Drug City, what we showed  
18    her.

19                    And you said -- do you  
20    remember that?

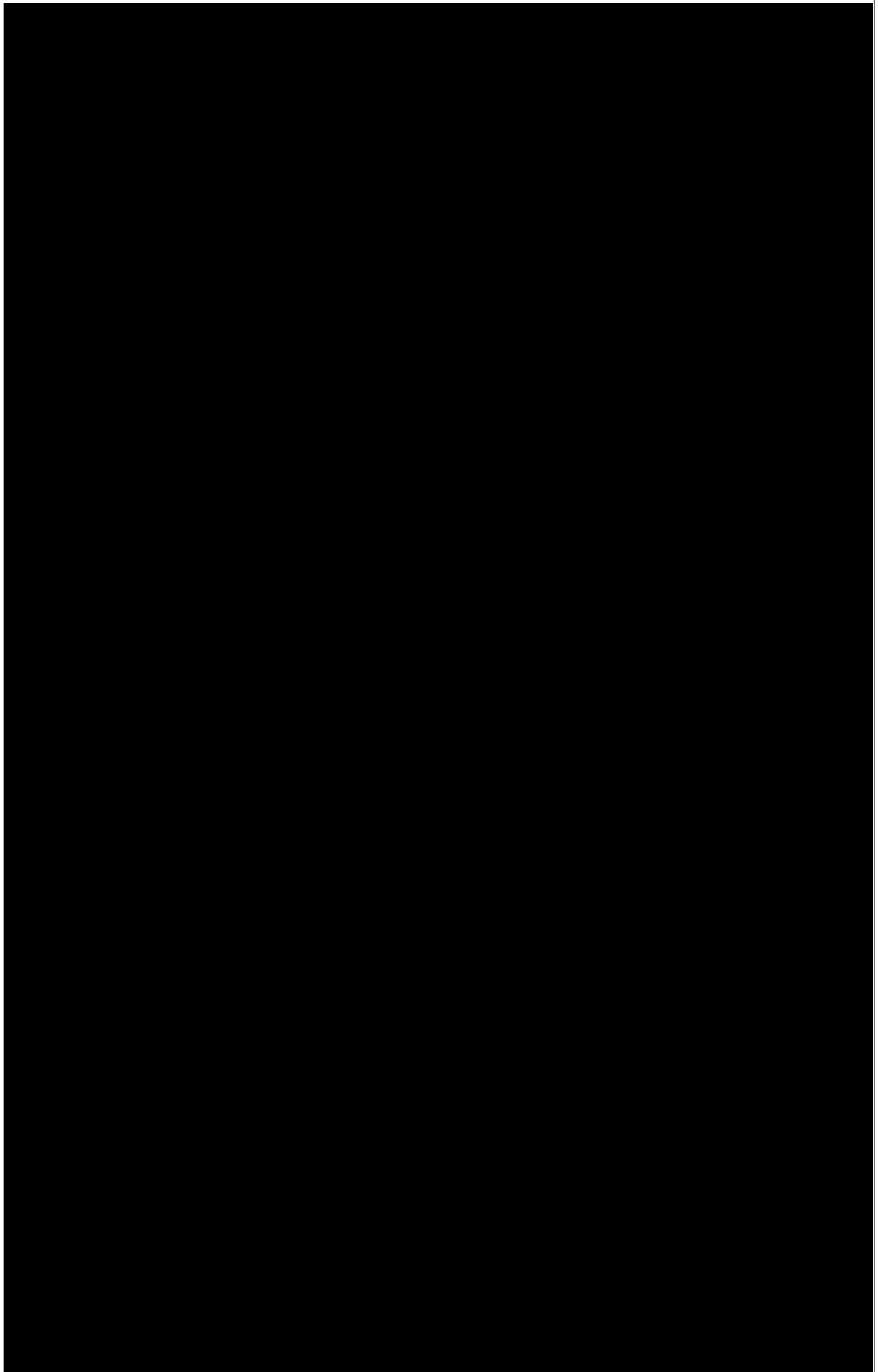
21             A.     Yes.

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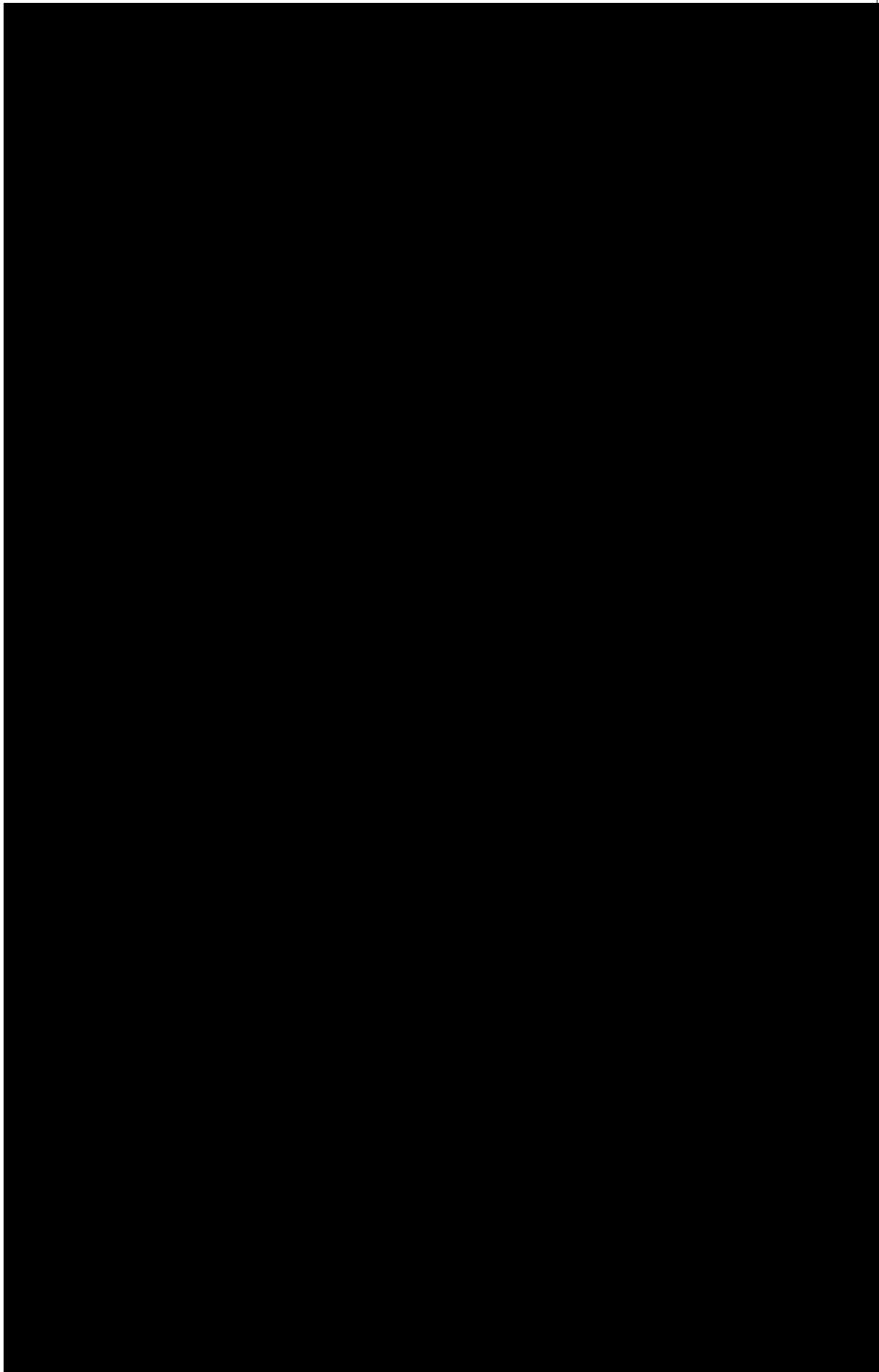
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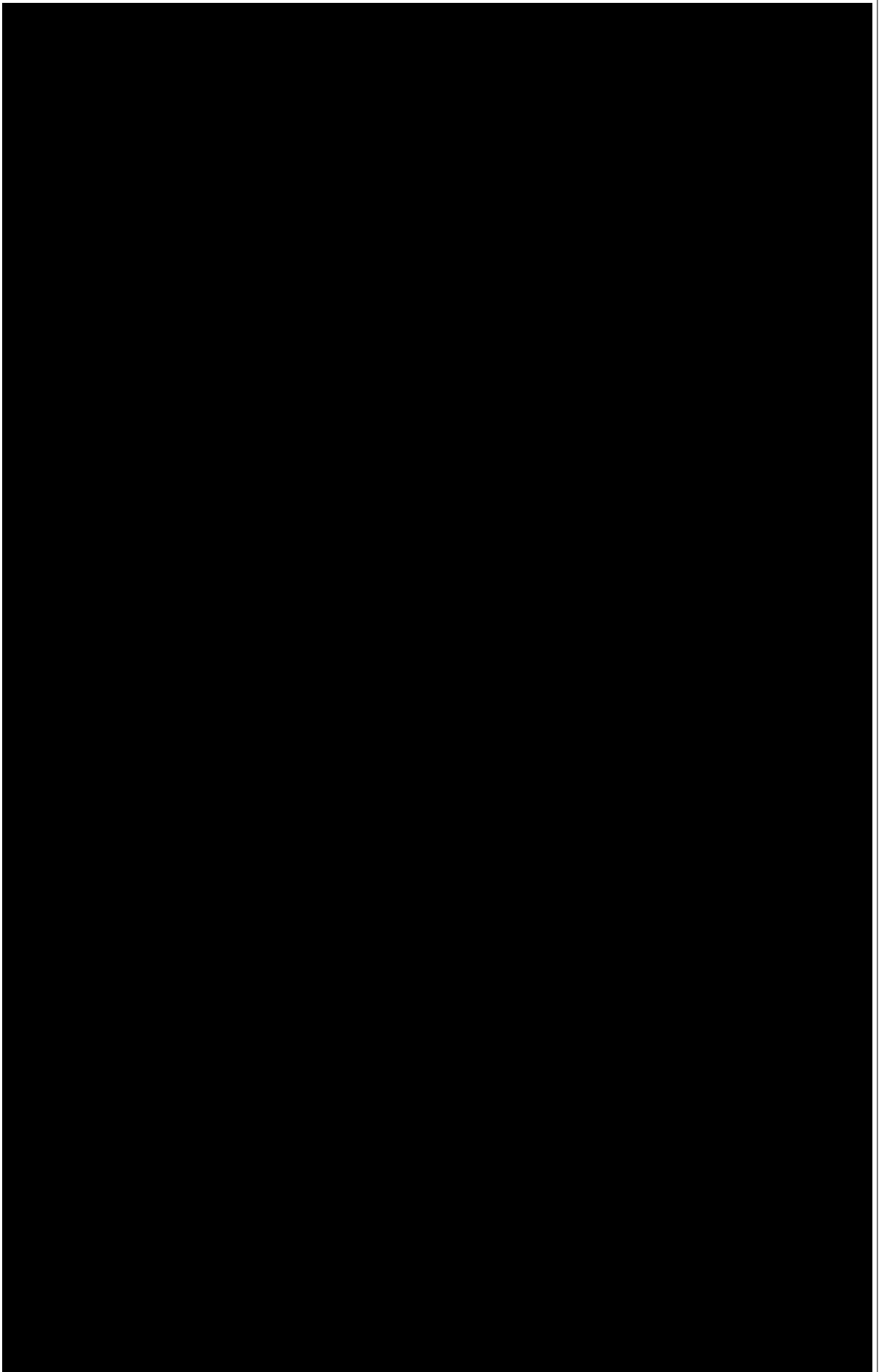


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17 BY MR. PENNOCK:

18 Q. Do you know how many people  
19 died from opioids in 2010?

20 MS. KOSKI: You don't need  
21 to answer that question.

22 BY MR. PENNOCK:

23 Q. Do you know that?

24 MS. KOSKI: Object to form.

1 Move to strike.

2 BY MR. PENNOCK:

3 Q. Do you know an estimate of  
4 how many died that year?

5 MS. KOSKI: Object to form.  
6 Lacks foundation.

7 MR. PENNOCK: Let's take a  
8 quick break, please.

9 VIDEO TECHNICIAN: Going off  
10 record. The time is 2:04.

11 - - -

12 (Whereupon, a brief recess  
13 was taken.)

14 - - -

15 VIDEO TECHNICIAN: Going  
16 back on record. Beginning of  
17 Media File 5. The time is 2:16.

18 BY MR. PENNOCK:

19 Q. Mr. Paonessa, I'm going to  
20 show you what's being marked as  
21 Exhibit-26 to your deposition,  
22 0000274716.

23 - - -

24 (Whereupon, Anda-Paonessa

1           Exhibit-26,  
2           Anda\_Opioids\_MDL\_0000274716-717;  
3           With Attachment, was marked for  
4           identification.)

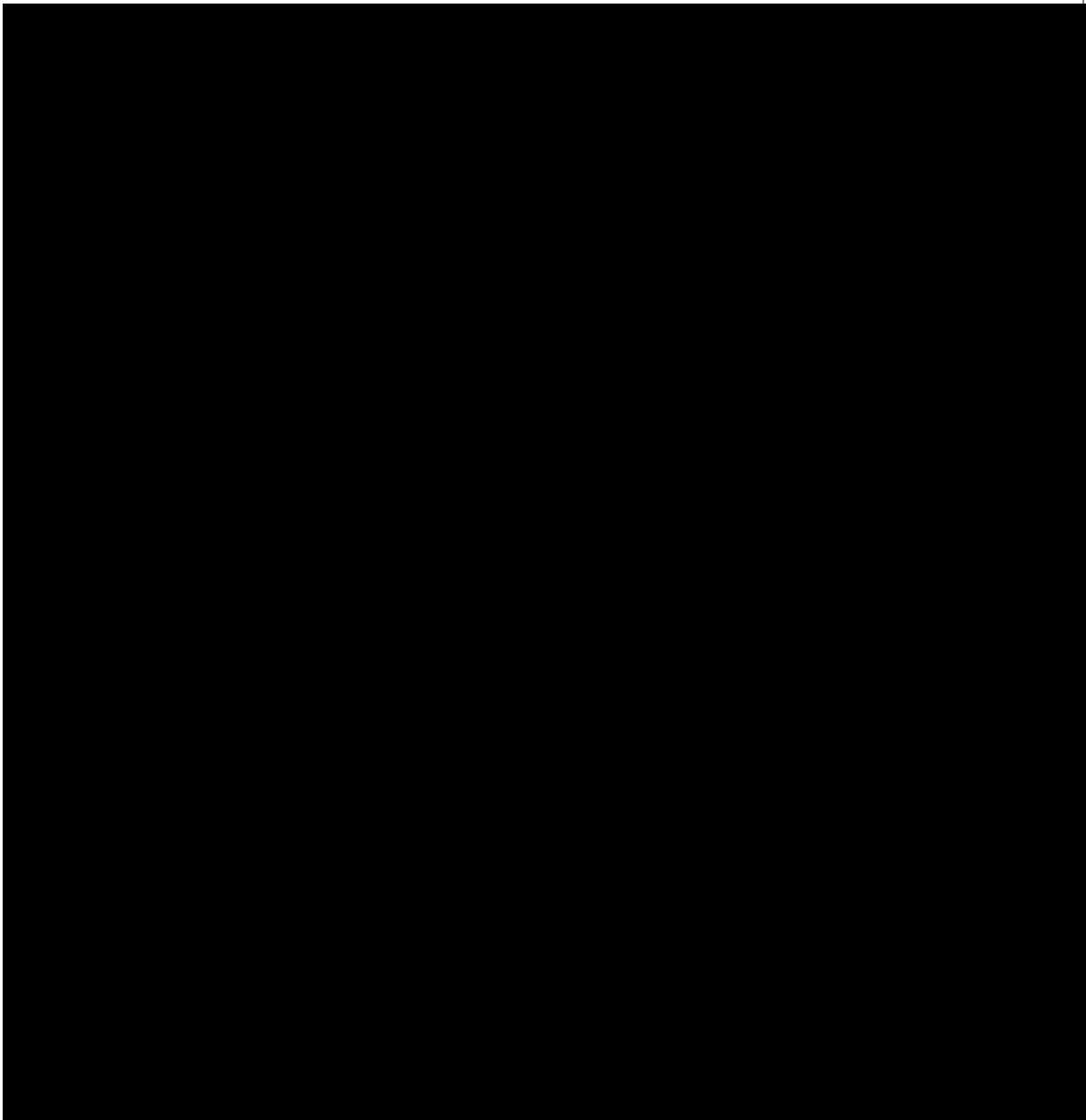
5                           -   -   -

6       BY MR. PENNOCK:

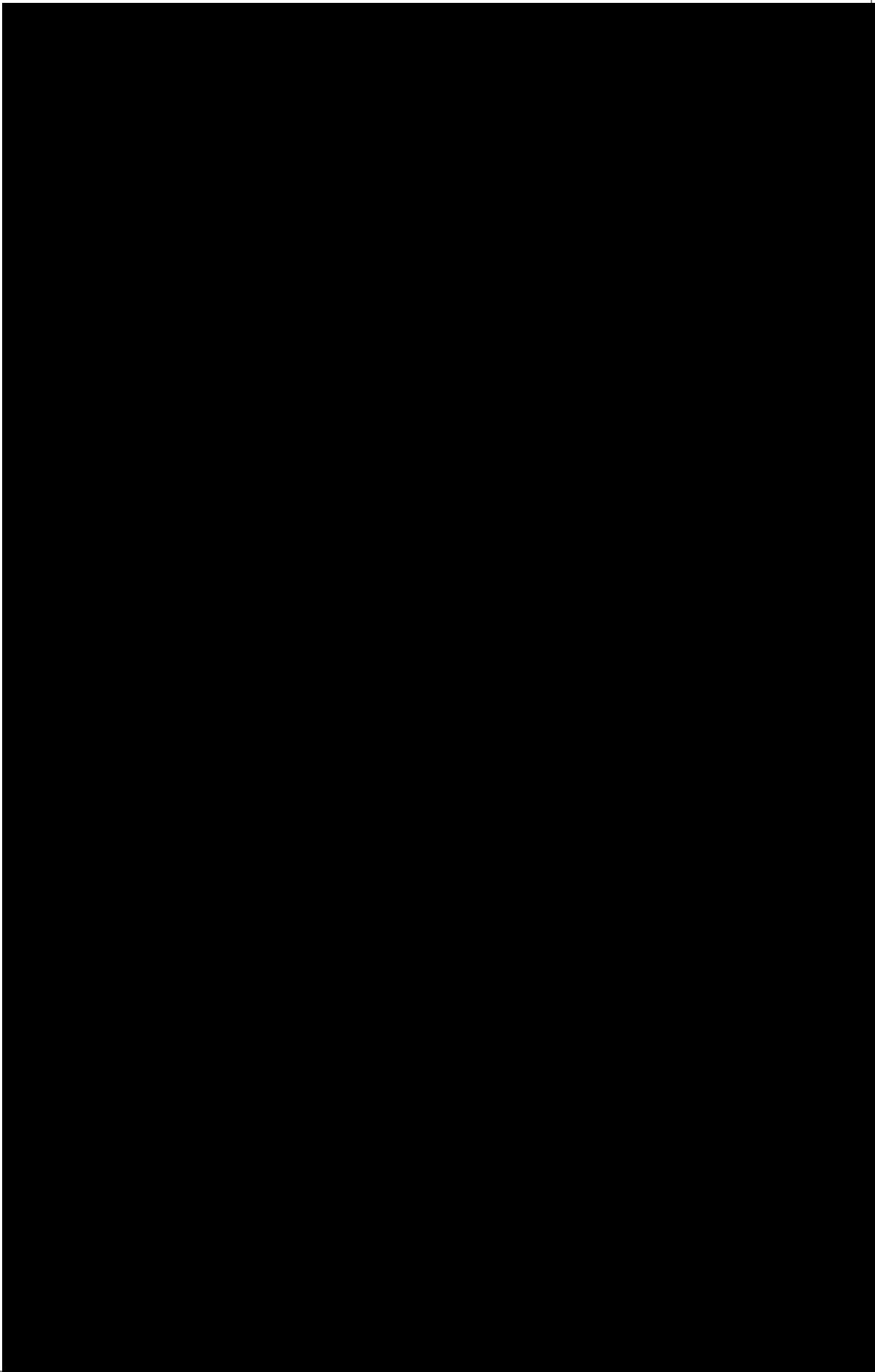
7           Q.       Please take a look at that.

8           A.       Okay.

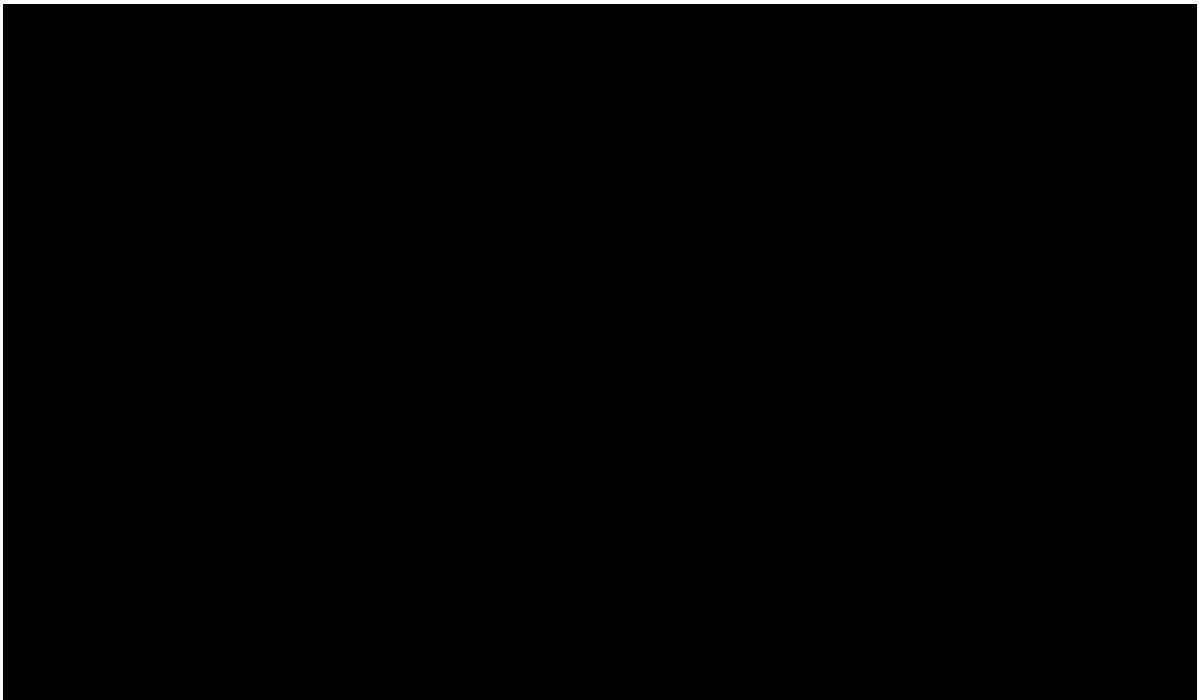
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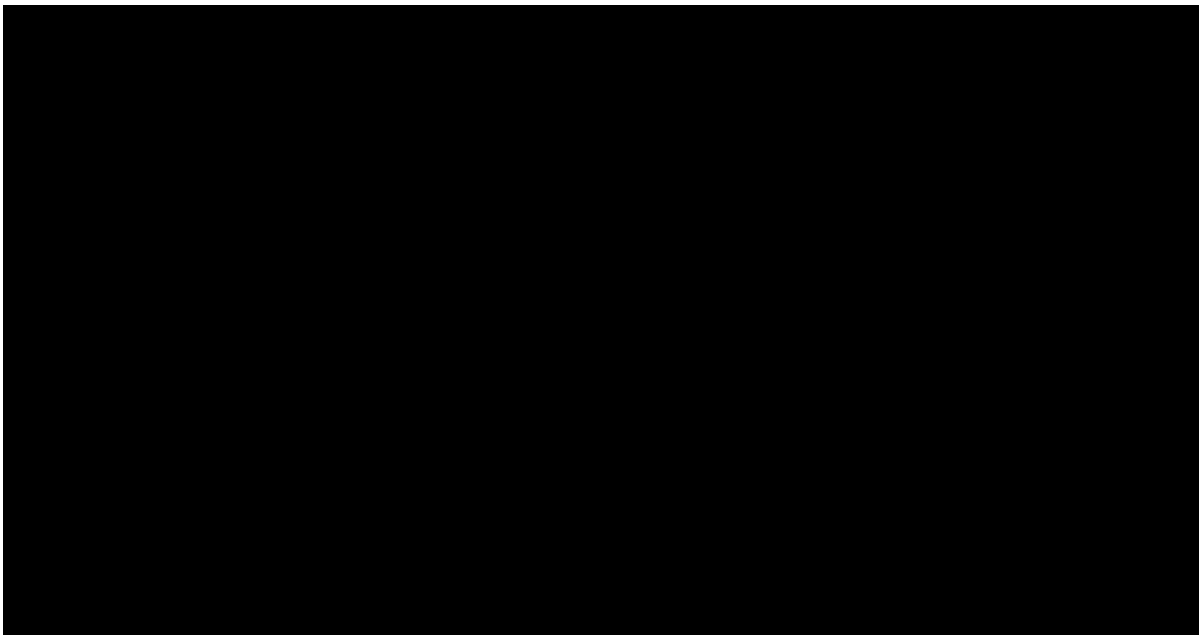


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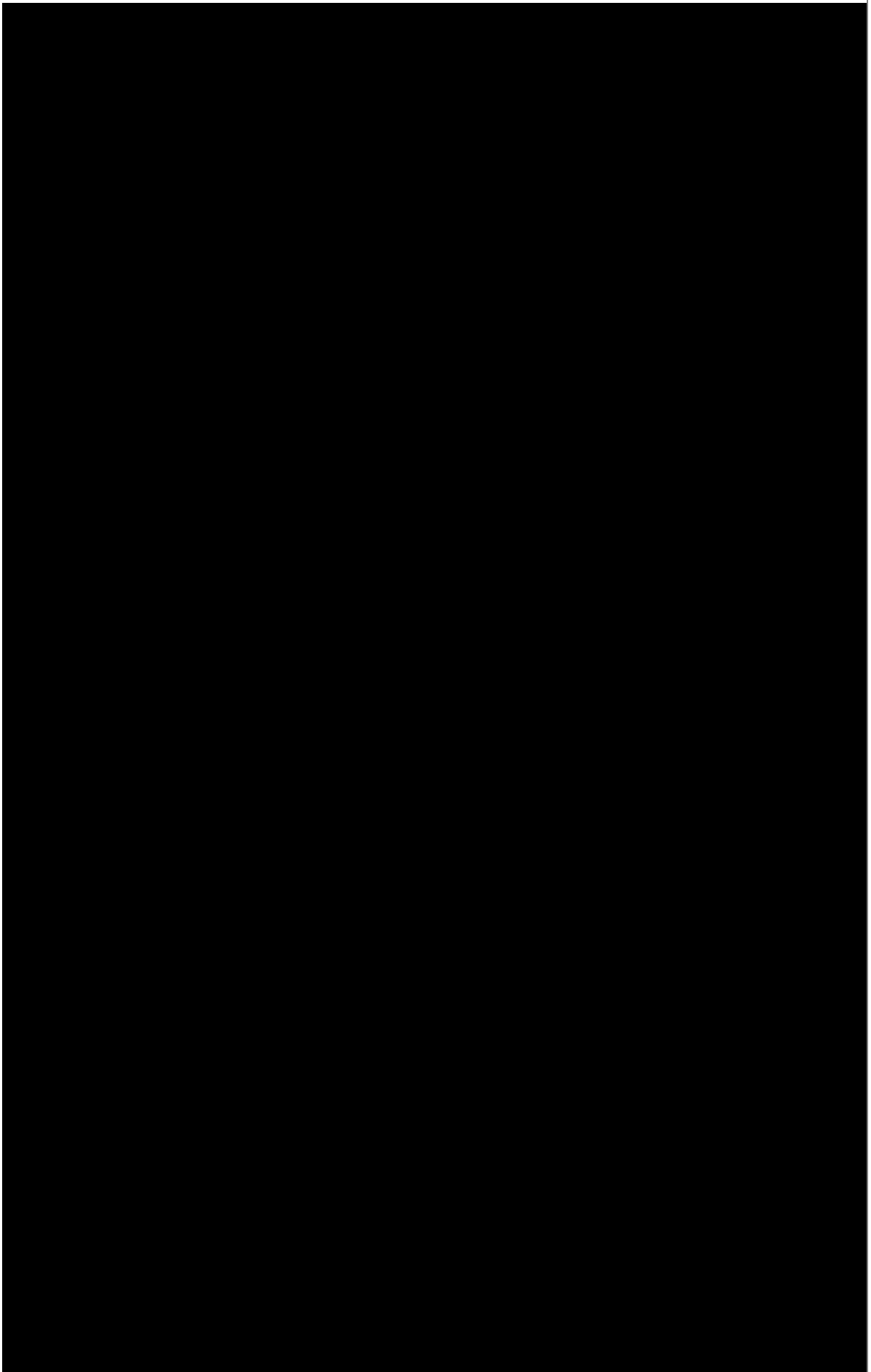
(Whereupon, Anda-Paonessa  
Exhibit-27,  
Anda\_Opioids\_MDL\_0000274587-589,  
was marked for identification.)

- - -

BY MR. PENNOCK:



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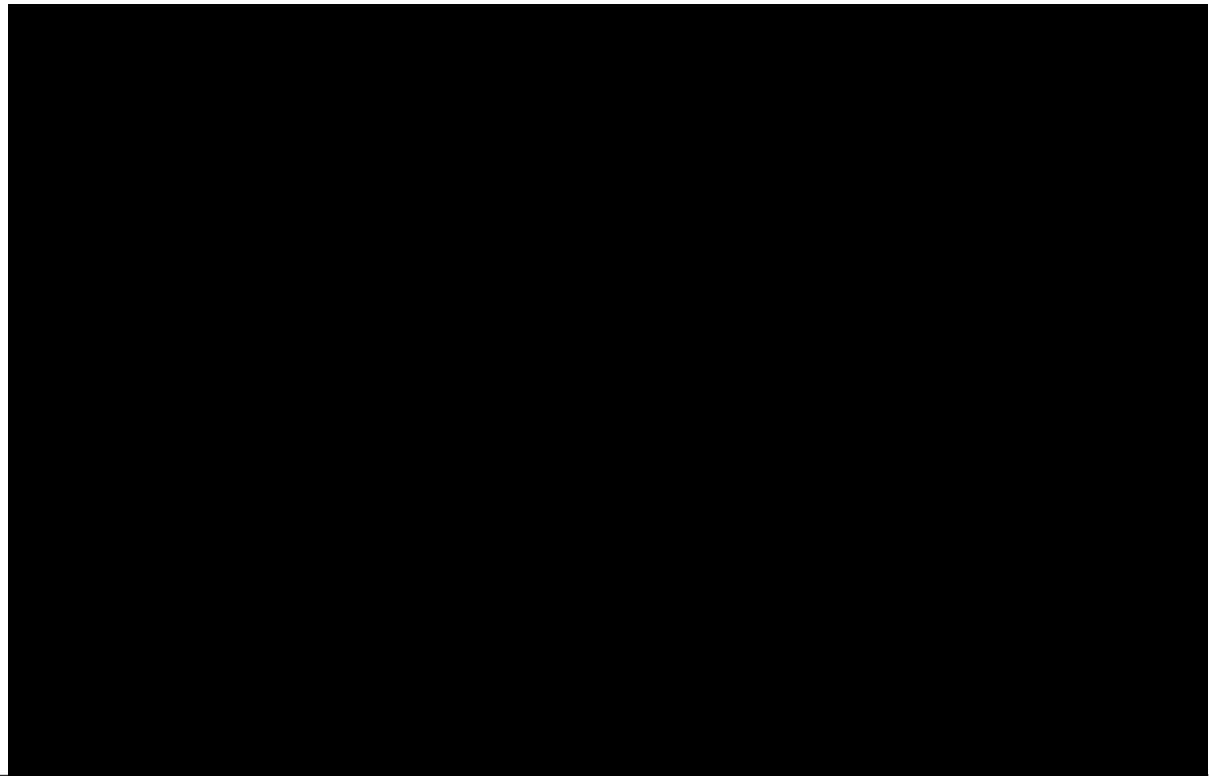
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(Whereupon, Anda-Paonessa  
Exhibit-28,  
Anda\_Opioids\_MDL\_0000272213-215,  
was marked for identification.)

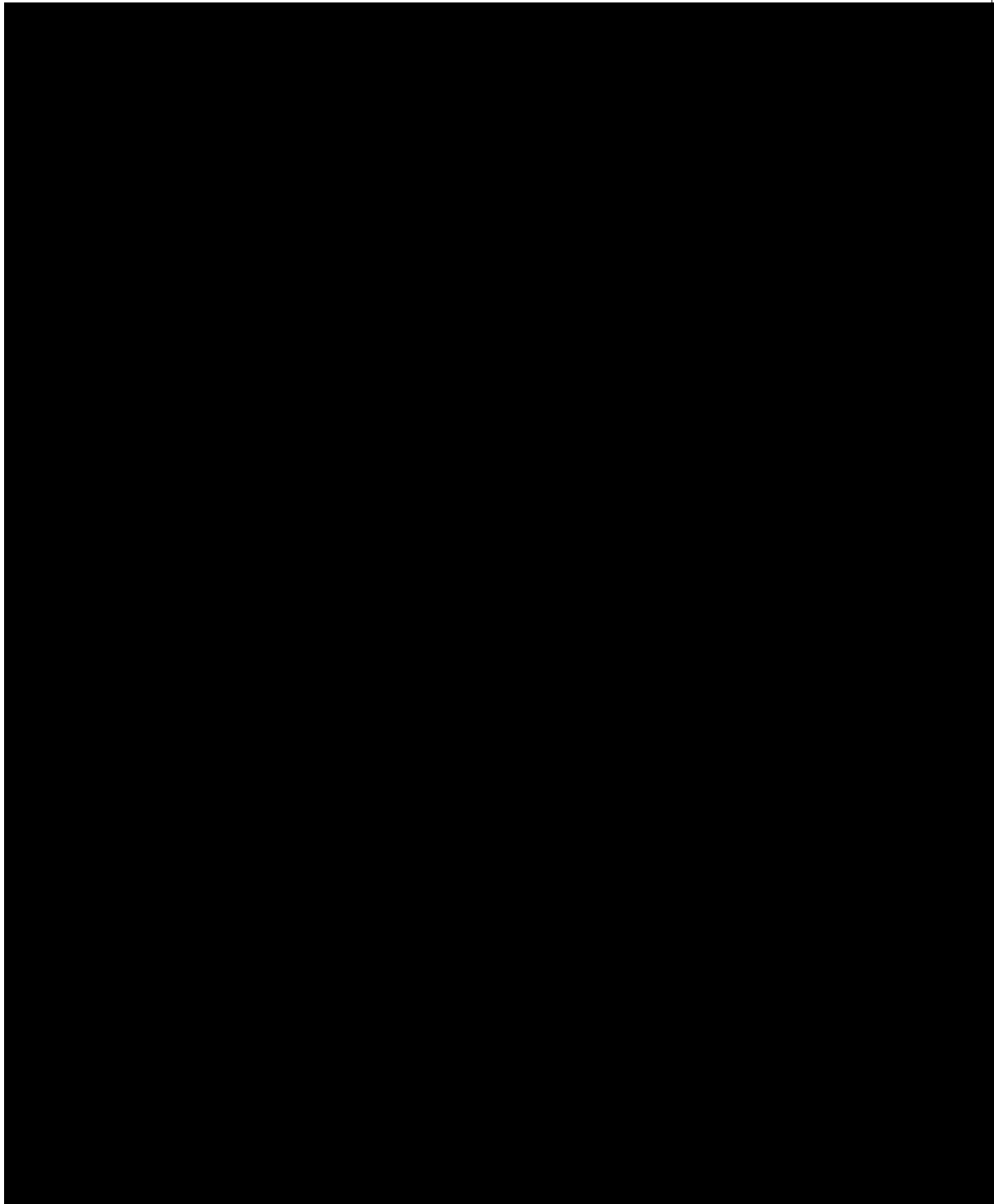
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BY MR. PENNOCK:

Q. Take a look at Exhibit-28.  
This is 0000272213.  
A. Okay.



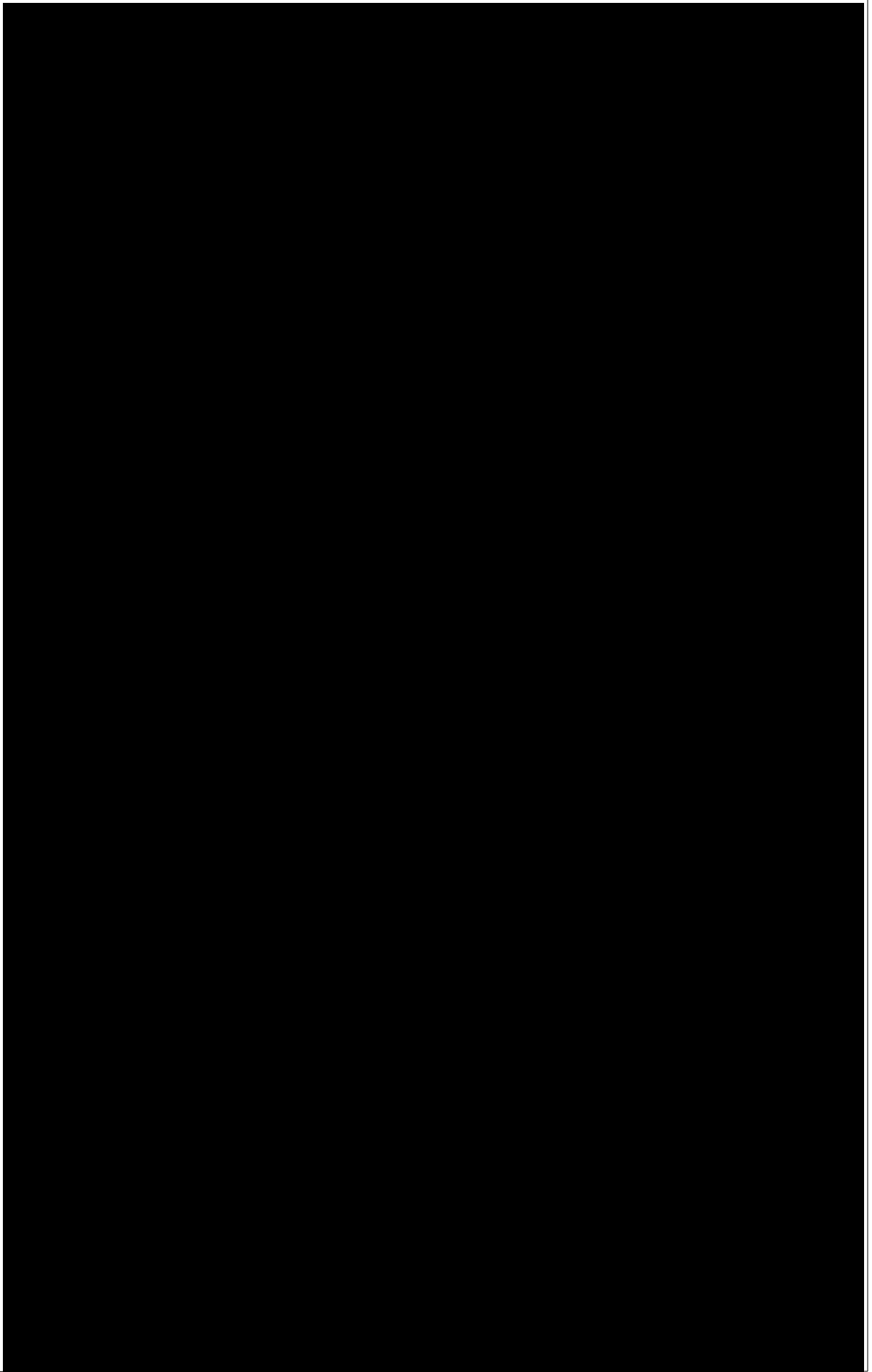
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20 Q. So who is Emily Schultz?

21 A. She was one of the  
22 compliance clerks that gathered and  
23 analyzed the data from the -- that we  
24 received from pharmacies.

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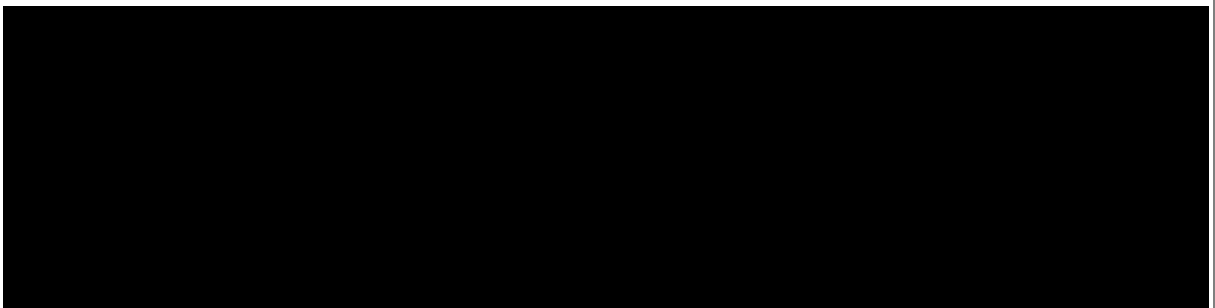
(Whereupon, Anda-Paonessa  
Exhibit-29,  
Anda\_Opioids\_MDL\_00002722520-521,  
was marked for identification.)

- - -

BY MR. PENNOCK:

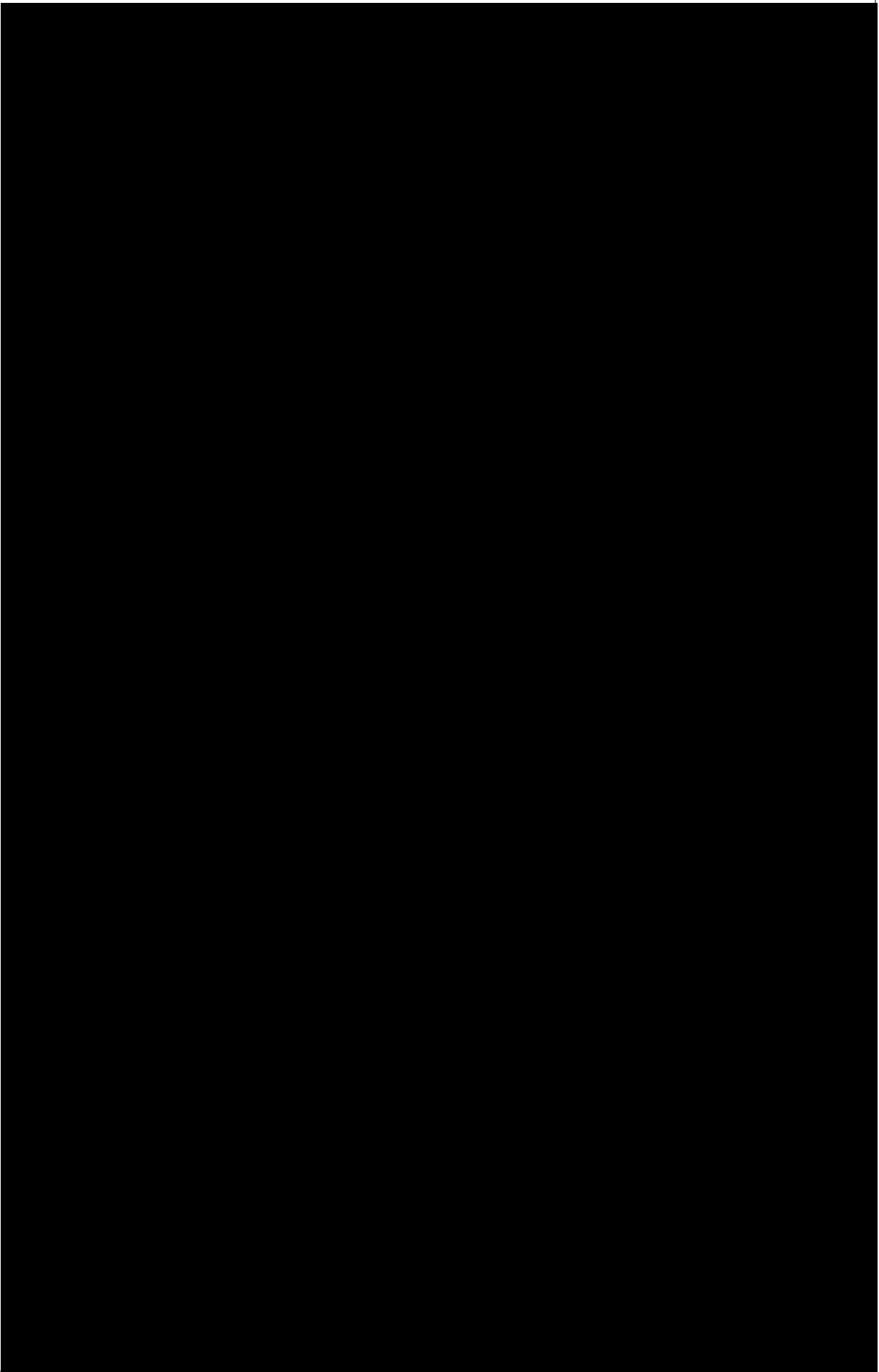
Q. This is marked Exhibit-29 to  
your deposition. Bates number 272520.

A. Okay.



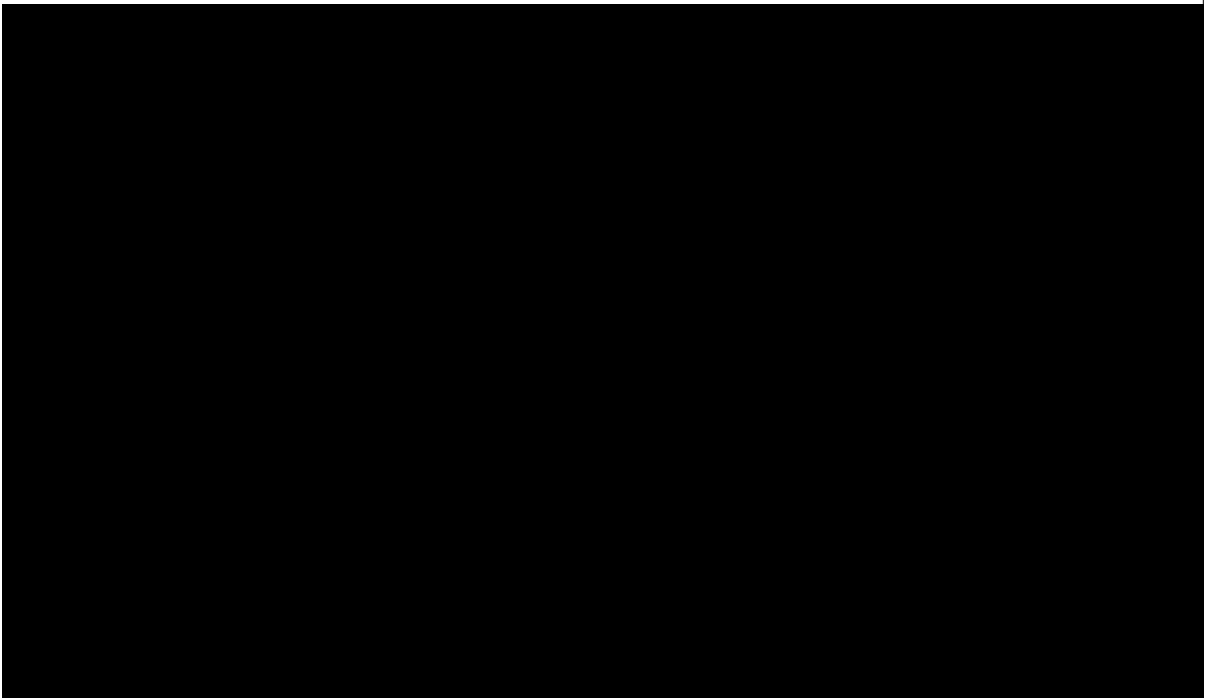
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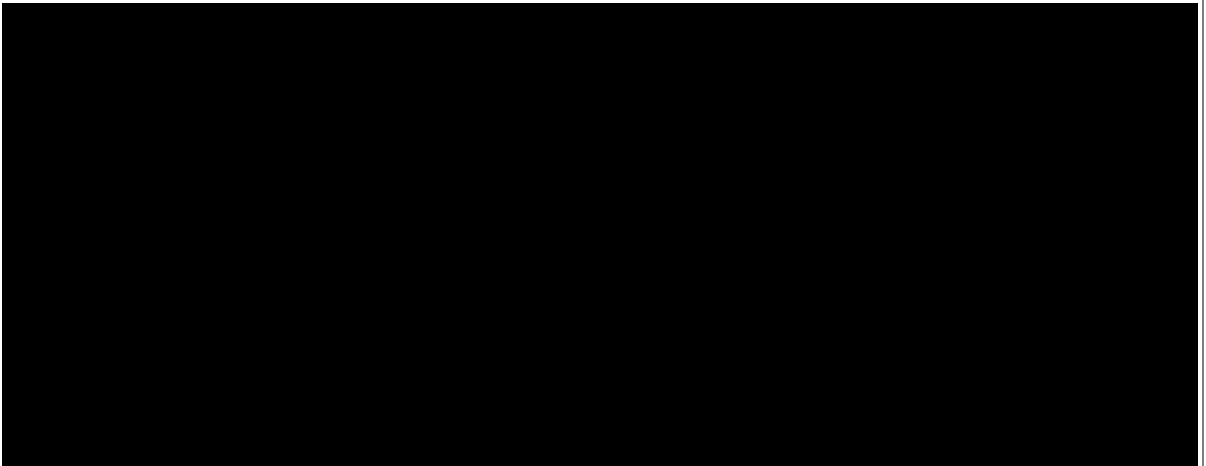
Q. Okay. I'll show you that  
you --

- - -

(Whereupon, Anda-Paonessa  
Exhibit-30,  
Anda\_Opioids\_MDL\_00002722520-521,  
was marked for identification.)

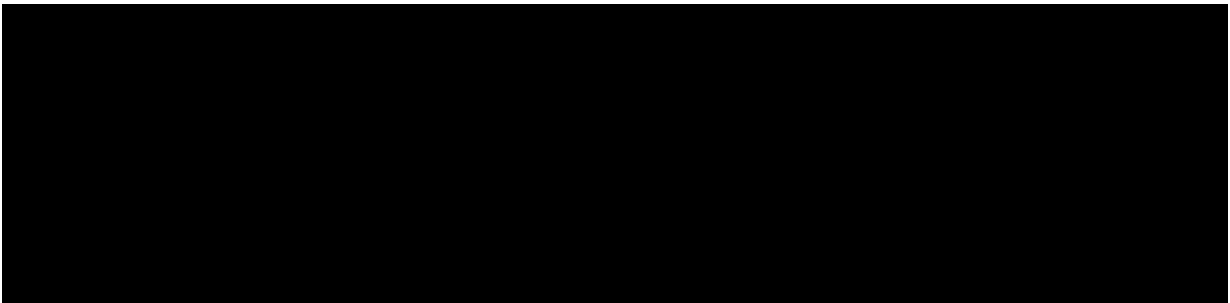
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BY MR. PENNOCK:





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MR. PENNOCK: Give me a  
five-minute break, please.

VIDEO TECHNICIAN: Going off  
record. The time is 2:36.

- - -

(Whereupon, a brief recess  
was taken.)

- - -

VIDEO TECHNICIAN: Going  
back on record. Beginning of  
Media File 6. The time is 2:45.

BY MR. PENNOCK:

Q. Sir, I'm going to show you  
Exhibit-31, please.

- - -

(Whereupon, Anda-Paonessa  
Exhibit-31,  
Anda\_Opioids\_MDL\_0000090857-858,  
was marked for identification.)

- - -

1 BY MR. PENNOCK:

2 Q. This is 90857.

3 MR. PENNOCK: Where's the  
4 attachment? Oh, it came  
5 separately.

6 - - -

7 (Whereupon, Anda-Paonessa  
8 Exhibit-32,  
9 Anda\_Opioids\_MDL\_0000090808, was  
10 marked for identification.)

11 - - -

12 BY MR. PENNOCK:

13 Q. Here is the attachment that  
14 was produced separately, Exhibit-32.

15 MS. KOSKI: Oh, this one is  
16 yours.

17 BY MR. PENNOCK:

18 Q. The attachment is 90808.

19 MS. KOSKI: Was this  
20 attached to something else?

21 THE WITNESS: This was  
22 attached to this.

23 I'm assuming this was  
24 attached to the e-mail, right?

1                   When it says attachment --

2                   MR. KING: It says -- the  
3                   e-mail refers to an attachment.

4                   THE WITNESS: Right. Which  
5                   is this.

6                   MS. KOSKI: So it's --

7                   THE WITNESS: Right here.

8                   MS. KOSKI: Got it. The  
9                   Bates numbers aren't sequential.  
10                  But it's okay.

11                  THE WITNESS: Okay.

12                                 - - -

13                   (Whereupon, Anda-Paonessa  
14                   Exhibit-33,  
15                   Anda\_Opioids\_MDL\_0000090805-807,  
16                   was marked for identification.)

17                                 - - -

18                  BY MR. PENNOCK:

19                   Q.       Here is -- I'm marking  
20                   Exhibit-33. This is 90805.

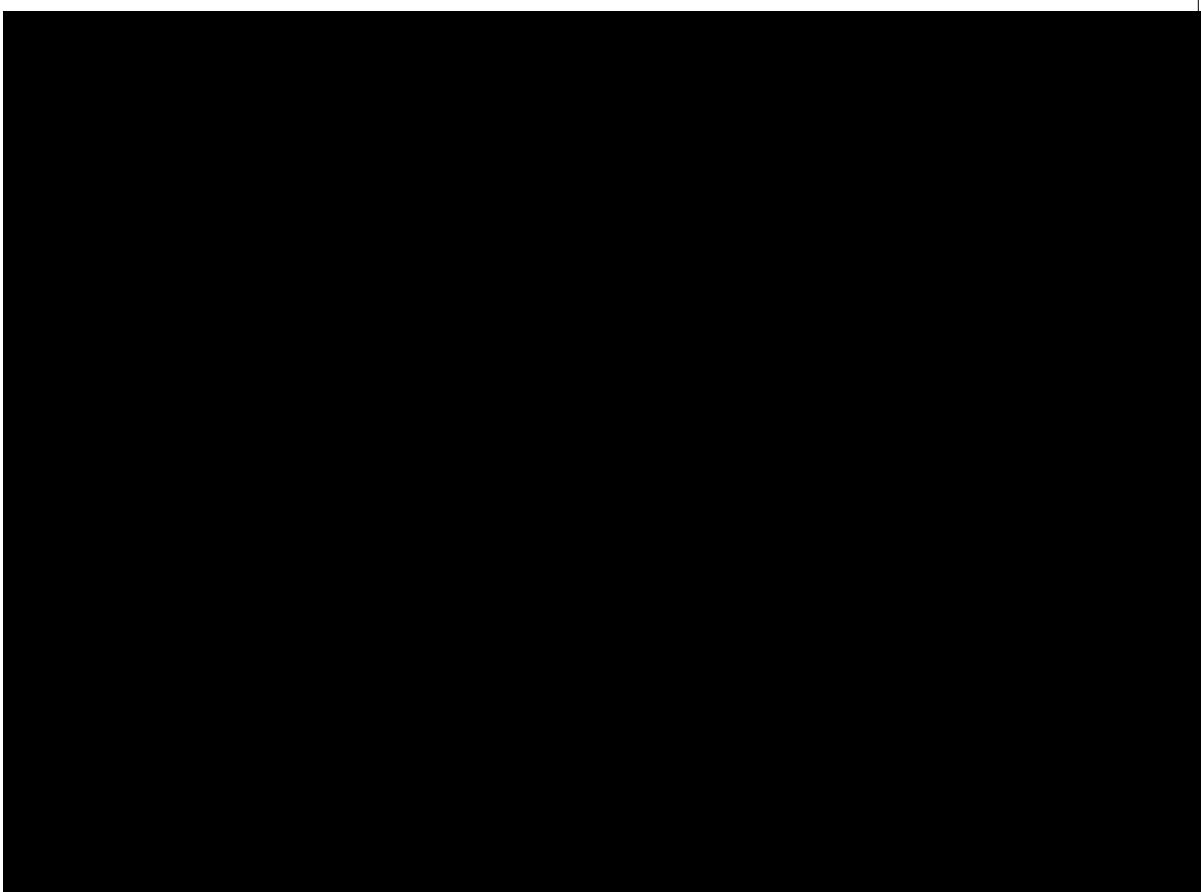
21                   A.       Okay.

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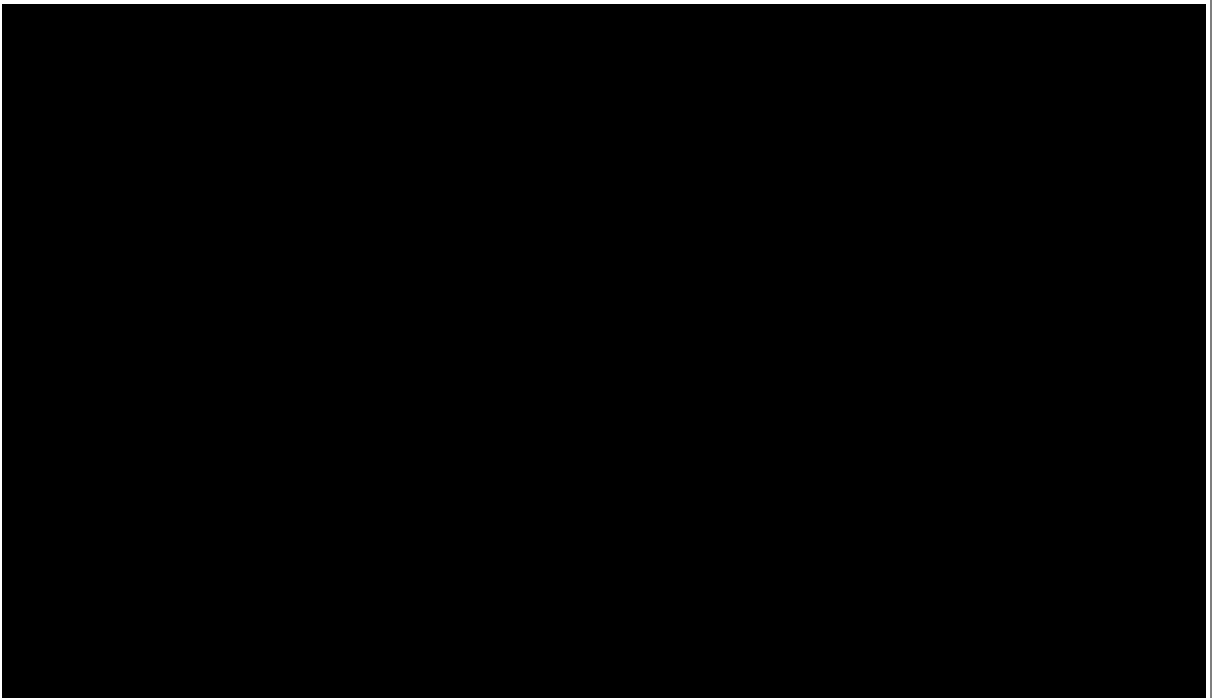
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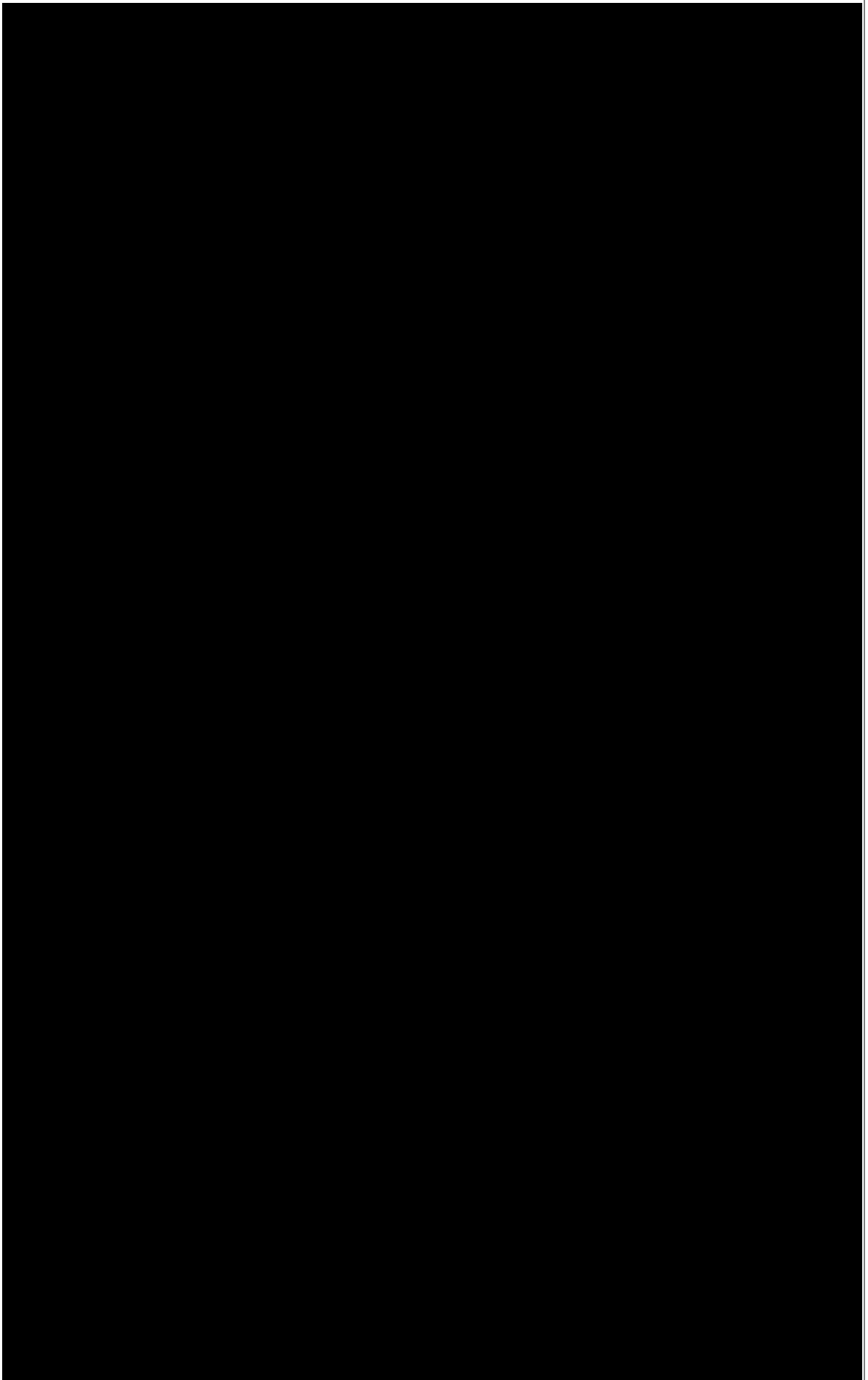


Q. Barry Koran, senior account manager -- he would be in sales; is that right?

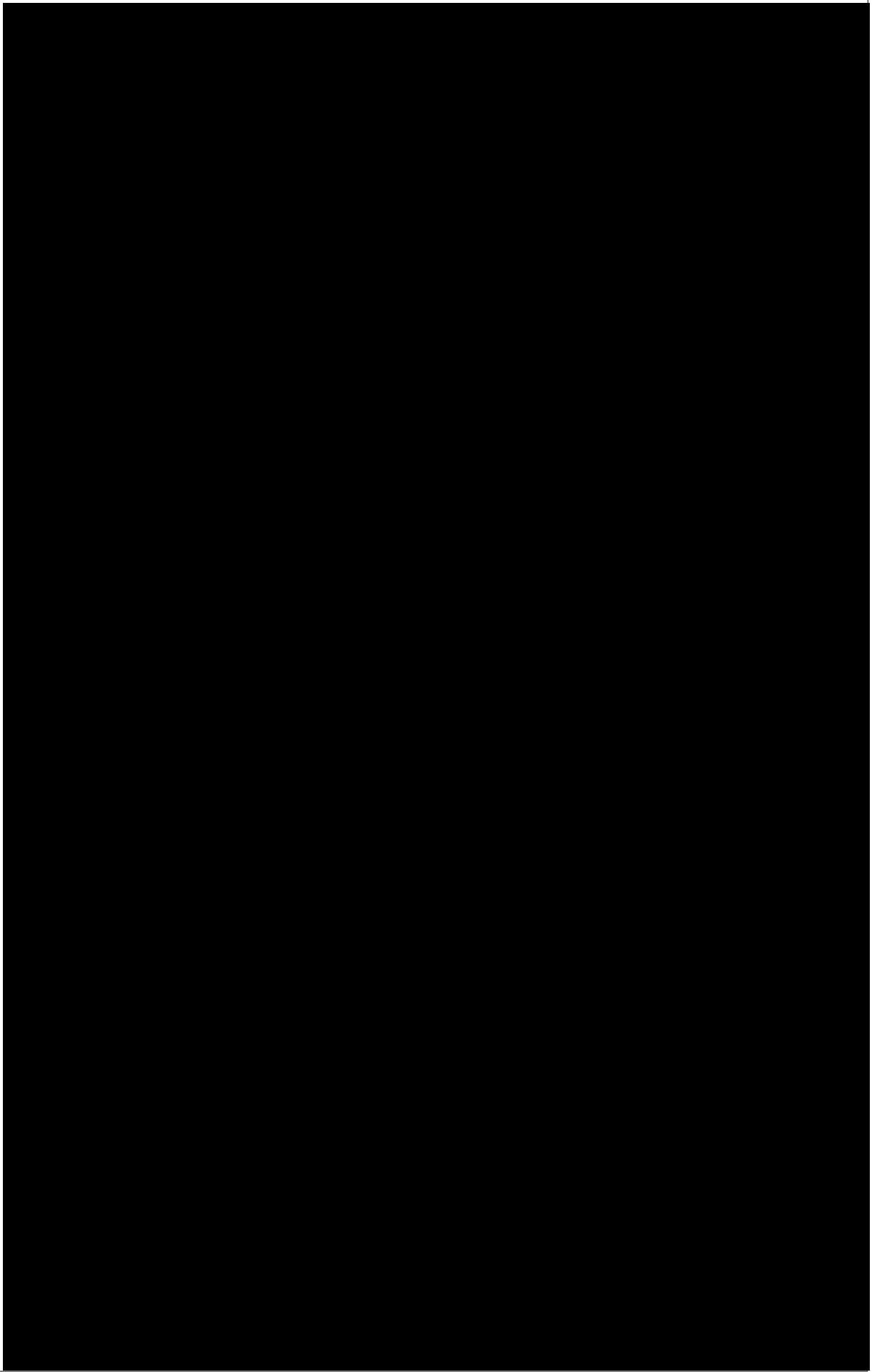
A. Yes.



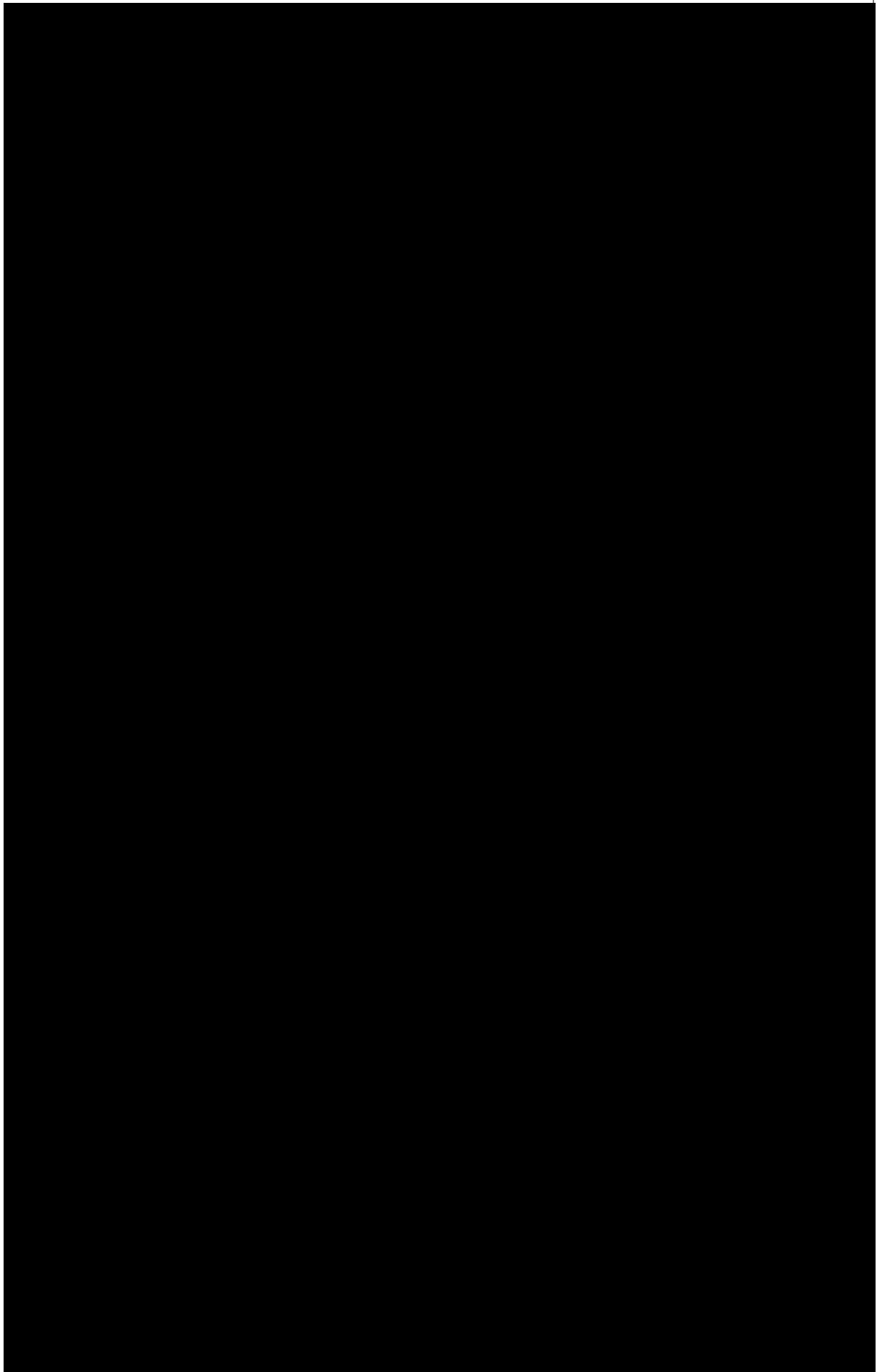
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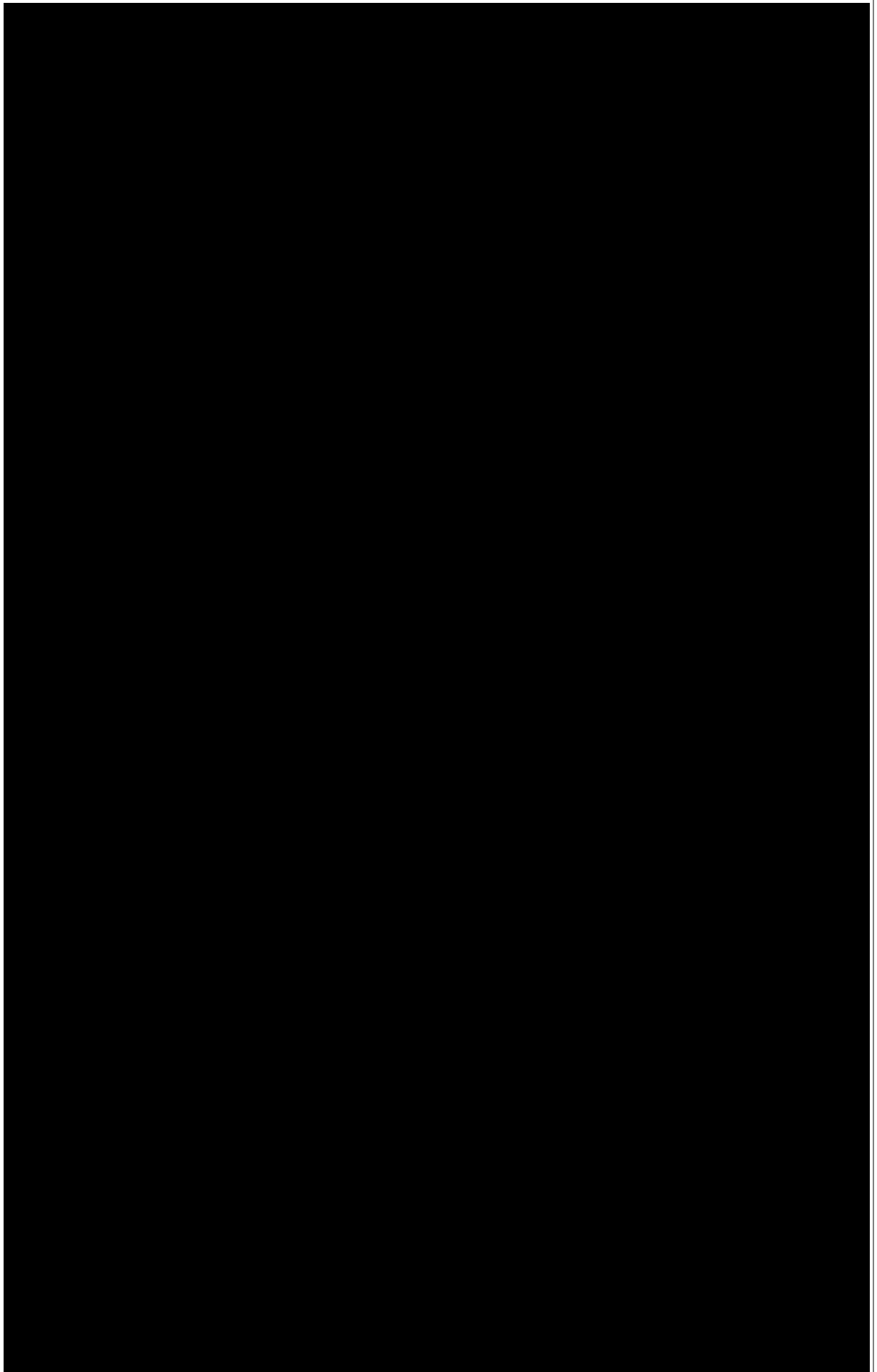
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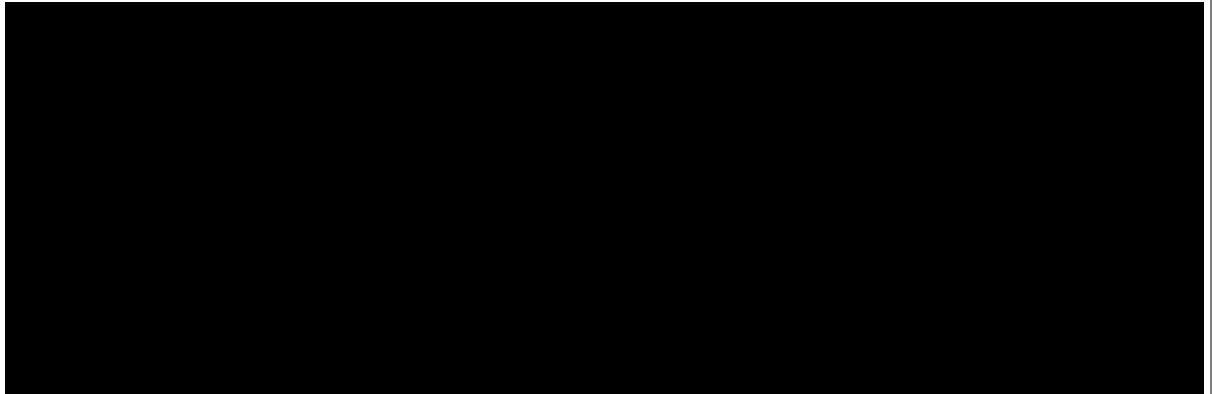
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(Whereupon, Anda-Paonessa  
Exhibit-34, United States District  
Court; Search and Seizure Warrant,  
was marked for identification.)

- - -

BY MR. PENNOCK:

Q. I'll show you what I'm  
marking as Exhibit-34. I'd like to  
quickly go through this with you and  
direct you to certain pages, sir.

MS. KOSKI: Can you  
represent for the record what this  
is? It's not from our files.

MR. PENNOCK: Sure. Marked  
as Exhibit-34, a seizure and  
search warrant that, as indicated,  
was issued by the United States  
District Court for the Central

1 District of California in November  
2 of 2017.

3 BY MR. PENNOCK:

4 Q. If you turn to Page 3, you  
5 will see that it was directed at -- you  
6 see the document reflects it was directed  
7 at United Pharmacy, Inc., Los Angeles,  
8 California?

9 Page 3.

10 MS. KOSKI: I'm struggling,  
11 too.

12 But I'm not sure the witness  
13 is familiar with the form of the  
14 document.

15 Can you put it on the  
16 screen, maybe, so we can see it?

17 MR. PENNOCK: Yep.

18 MS. KOSKI: So page numbered  
19 3, not the Roman.

20 Just look on the screen.

21 THE WITNESS: Sorry, I  
22 didn't see that. Okay.

23 Okay, I have it. Yes.

24 BY MR. PENNOCK:

1 Q. Okay. So you see that it's  
2 directed at United Pharmacy, Inc.?

3 A. Yes.

4 Q. And -- hold on. And I just  
5 want to direct your attention to the  
6 doctor that is mentioned on here. Page  
7 21.

8 A. Okay.

9 Q. In February of 2015, the DEA  
10 initiated the investigation in this case  
11 after receiving information from the DEA  
12 Fresno resident office that Dr. Ernestina  
13 Saxton was writing large quantities of  
14 controlled substance prescriptions for  
15 patients located in Los Angeles.

16 Do you see that?

17 A. Yes.

18

19

20

21

22

23 Q. Did this ever come to your  
24 attention?

1 A. No.

2 MS. KOSKI: I'm going to  
3 object. The document is dated  
4 2017. Mr. Paonessa didn't work at  
5 Anda in 2017.

6 MR. PENNOCK: Okay.

7 MS. KOSKI: In fact had been  
8 gone for two years --

9 MR. PENNOCK: Hmm?

10 MS. KOSKI: You had been  
11 gone for two years by then, right?

12 THE WITNESS: Three by then.  
13 Because it says Anda '17.

14 BY MR. PENNOCK:

15 Q. Take a look at Page 25.

16 A. Okay.

17 Q. It says, United dispensed  
18 over 1 million dosage units of oxycodone  
19 over the same period, with over 400,000  
20 dosage units of 30-milligram oxycodone.

21 Do you see that?

22 A. Yes.

23 MS. KOSKI: I don't know  
24 where you are. What paragraph?

1 THE WITNESS: 25, right  
2 here.

3 MS. KOSKI: I'm with you.  
4 Sorry.

5 BY MR. PENNOCK:

6 Q. So whatever your protocol  
7 was for due diligence back in 2012, you  
8 would agree with me, if the allegations  
9 contained in this document are correct,  
10 that the due diligence with respect to  
11 this facility failed pretty badly?

12 MS. KOSKI: I'm going to  
13 object to form. And I'll instruct  
14 you not to answer.

15 He's not a lawyer. This  
16 is -- if the allegations in this  
17 document, which is a search and  
18 seizure warrant are correct. How  
19 can he answer that question?

20 MR. PENNOCK: I don't think  
21 it's too hard. I'm just -- so I'm  
22 going to reiterate my question.

23 BY MR. PENNOCK:

24 Q. I'm asking you, you've seen

1     this document?

2             A.     Yes.

3             Q.     Assuming this to be  
4     authentic, which I'm representing it is,  
5     assuming these allegations against this  
6     doctor to be correct, Dr. Ernestina  
7     Saxton, you would agree with me that  
8     whatever due diligence you and your  
9     colleagues did in 2012 were insufficient  
10    to make an appropriate determination as  
11    to the prescriptions and use of  
12    medications by Ernestina Saxton?

13             MS. KOSKI: Object to form.  
14             Lacks foundation. Calls for a  
15             legal conclusion.

16             You can answer if you want  
17             to speculate for Mr. Pennock.

18             THE WITNESS: I don't know  
19             what they were buying in 2012.  
20             This is 2017. I have no idea what  
21             they had in their due diligence  
22             that we had on file for them at  
23             that period of time.

24    BY MR. PENNOCK:

1           Q.     Sir, I have a series of  
2 documents I'd like you to look at. I'm  
3 going to mark them all and hand them to  
4 you one by one. Before I question, I'll  
5 get them all marked.

6           MR. PENNOCK: I'm going to  
7 need a number of other tabs.

8                     - - -

9                     (Whereupon, Anda-Paonessa  
10 Exhibit-35,  
11 Anda\_Opioids\_MDL\_0000275048, was  
12 marked for identification.)

13                    - - -

14 BY MR. PENNOCK:

15           Q.     Here is Exhibit-36, which is  
16 275048.

17           MS. KOSKI: Is that 35?

18           MR. PENNOCK: Wait a second.  
19 Was that 35?

20           MS. KOSKI: 35.

21           MR. PENNOCK: Sorry, I  
22 marked 35 was --

23           MS. KOSKI: You gave him 35,  
24 you just said 36.



1 MR. PENNOCK: So 35 was  
2 275048.

3 - - -

4 (Whereupon, Anda-Paonessa  
5 Exhibit-36,  
6 Anda\_Opioids\_MDL\_0000284363-364,  
7 was marked for identification.)

8 - - -

9 MR. PENNOCK: 36 is 284363.

10 - - -

11 (Whereupon, Anda-Paonessa  
12 Exhibit-38,  
13 Anda\_Opioids\_MDL\_0000284363-364,  
14 was marked for identification.)

15 - - -

16 MR. PENNOCK: 38 is 273292.

17 I have 37 over here, I'm  
18 looking for another copy.

19 MS. KOSKI: You gave me --  
20 okay, 38.

21 This is an extra copy of 38.  
22 This is an extra of 38.

23 - - -

24 (Whereupon, Anda-Paonessa

1           Exhibit-39,  
2           Anda\_Opioids\_MDL\_0000273518, was  
3           marked for identification.)

4                       -   -   -

5                       MR. PENNOCK:   39 is 273518.

6                       THE WITNESS:   I don't have  
7           37.

8                       MS. KOSKI:    I know.   I think  
9           he's working on it.

10                      -   -   -

11                      (Whereupon, Anda-Paonessa  
12           Exhibit-40,  
13           Anda\_Opioids\_MDL\_0000287964, was  
14           marked for identification.)

15                      -   -   -

16                      MR. PENNOCK:   40 is 287964.

17                      -   -   -

18                      (Whereupon, Anda-Paonessa  
19           Exhibit-41,  
20           Anda\_Opioids\_MDL\_0000273617, was  
21           marked for identification.)

22                      -   -   -

23                      MR. PENNOCK:   41 is 273617.

24                      -   -   -

1 (Whereupon, Anda-Paonessa  
2 Exhibit-42,  
3 Anda\_Opioids\_MDL\_0000273762, was  
4 marked for identification.)

5 - - -

6 MR. PENNOCK: 42 is 273762.

7 - - -

8 (Whereupon, Anda-Paonessa  
9 Exhibit-43,  
10 Anda\_Opioids\_MDL\_0000283018-019,  
11 was marked for identification.)

12 - - -

13 MR. PENNOCK: 43 is 283018.

14 - - -

15 (Whereupon, Anda-Paonessa  
16 Exhibit-44,  
17 Anda\_Opioids\_MDL\_0000274800, was  
18 marked for identification.)

19 - - -

20 MR. PENNOCK: 44 is 274800.

21 MS. KOSKI: The only one he  
22 did not get was 37.

23 MR. PENNOCK: I don't have a  
24 copy of it. I'll just keep it

1 right here for a moment so I don't  
2 lose track.

3 MS. KOSKI: Okay.

4 MR. PENNOCK: We don't have  
5 a copy, right?

6 We started with 35?

7 MS. KOSKI: He's given you  
8 ten exhibits. Listen to the  
9 questions, so you know which ones  
10 he's referring to.

11 BY MR. PENNOCK:

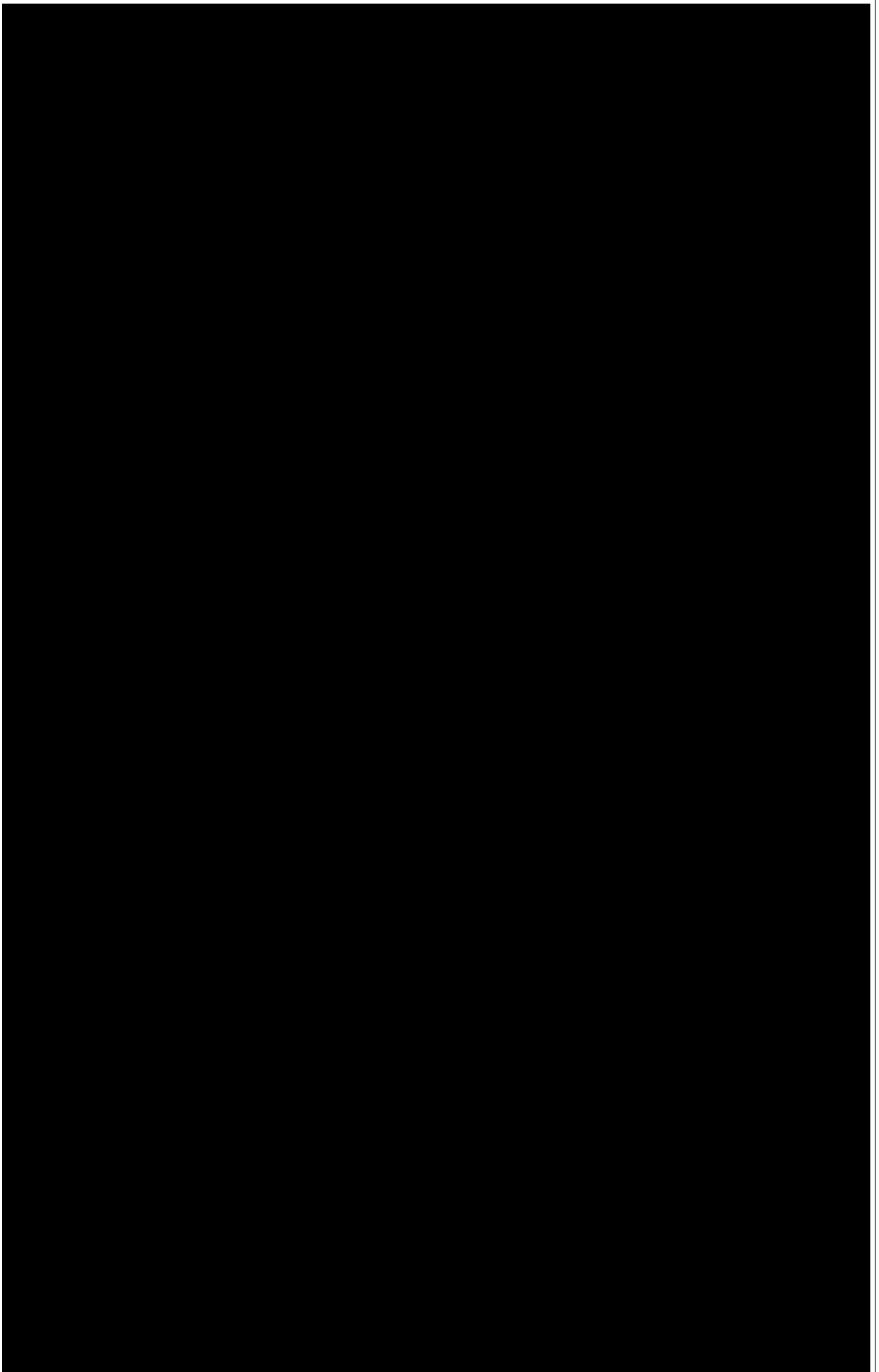
12 Q. So, Mr. Paonessa, I'd like  
13 to look at Exhibit Number 35, please.

14 A. Okay.

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Q. It looks like -- I'm sorry,

4

39 is a duplicate.

5

Sorry, 37 is a duplicate of

6

36.

7

MS. KOSKI: That's why you

8

didn't have any copies.

9

MR. PENNOCK: What?

10

MS. KOSKI: That's why you

11

didn't have any copies. That's

12

the one we didn't get.

13

BY MR. PENNOCK:

14

Q. So this would be 38.

15

MS. KOSKI: We'll just skip

16

37, and the record will show

17

there's no 37.

18

MR. PENNOCK: That's right.

19

BY MR. PENNOCK:

20

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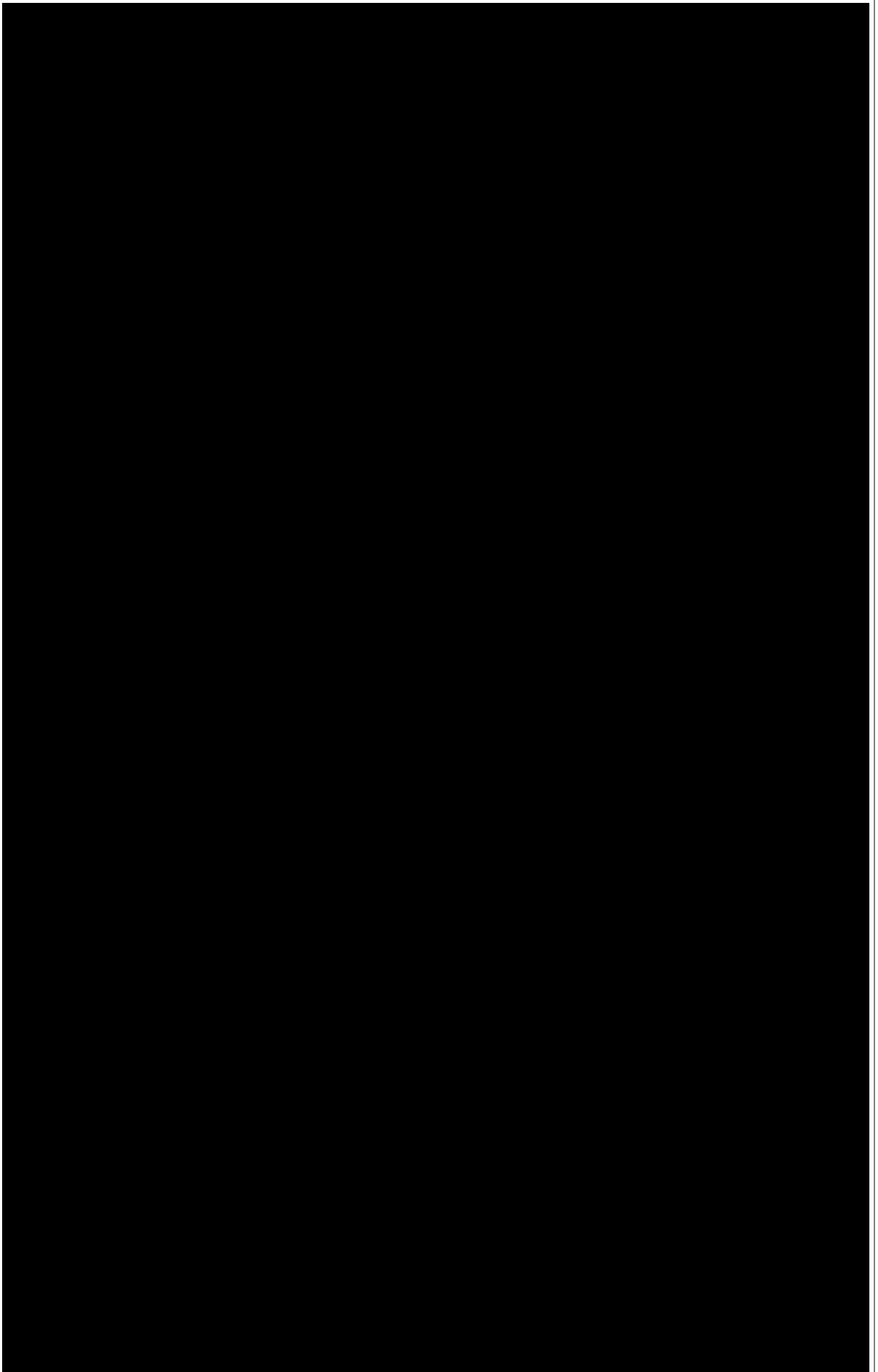
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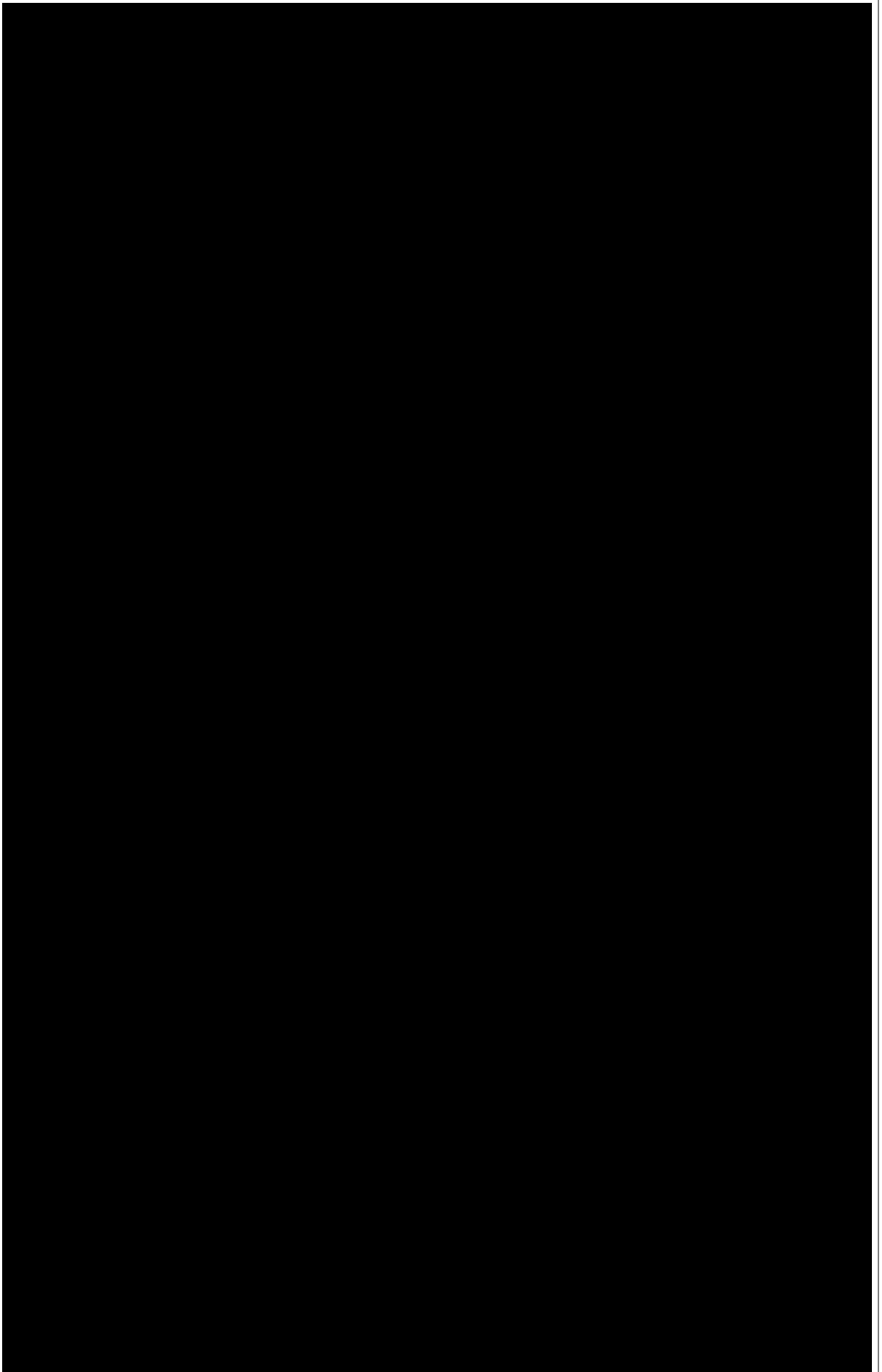
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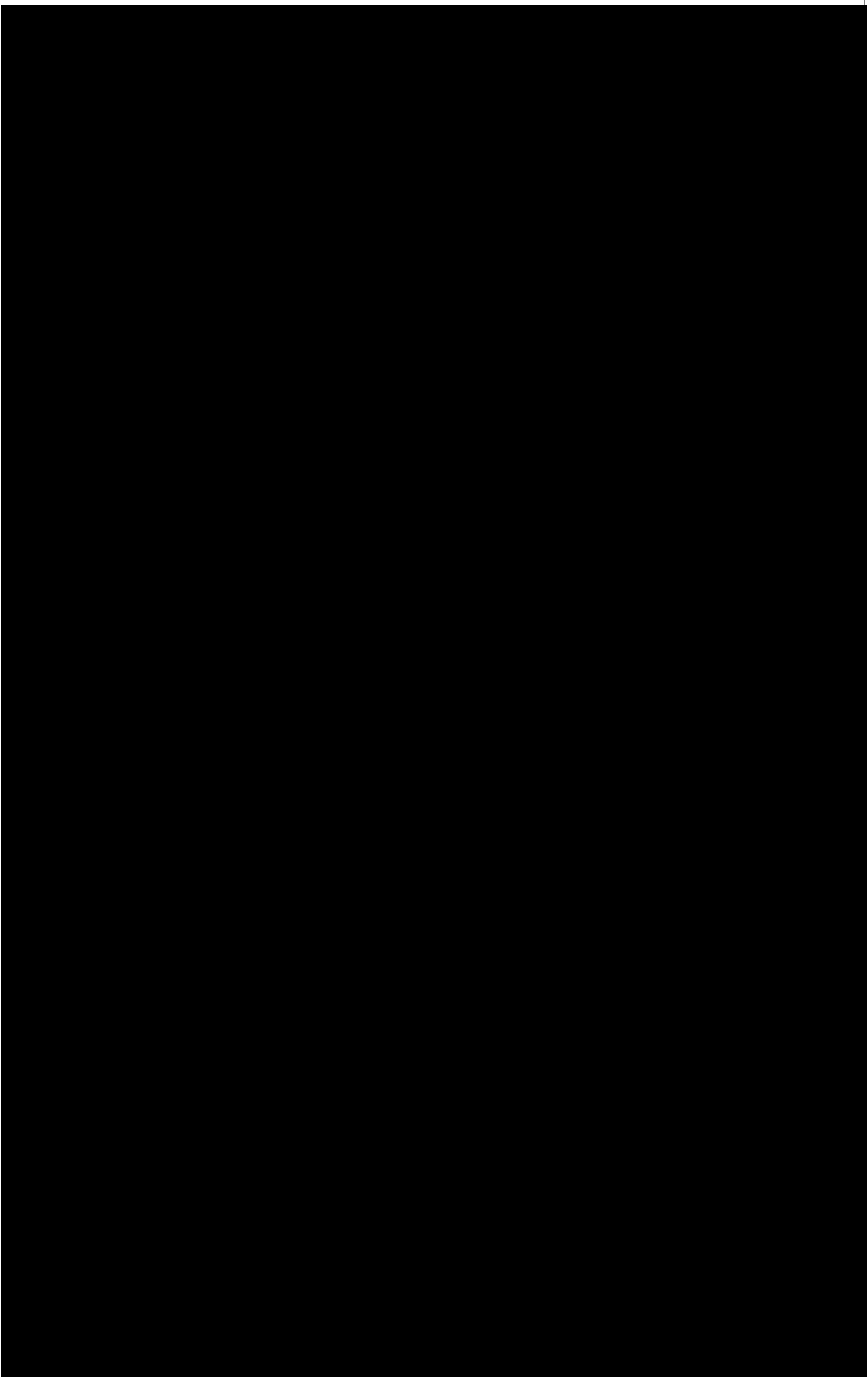
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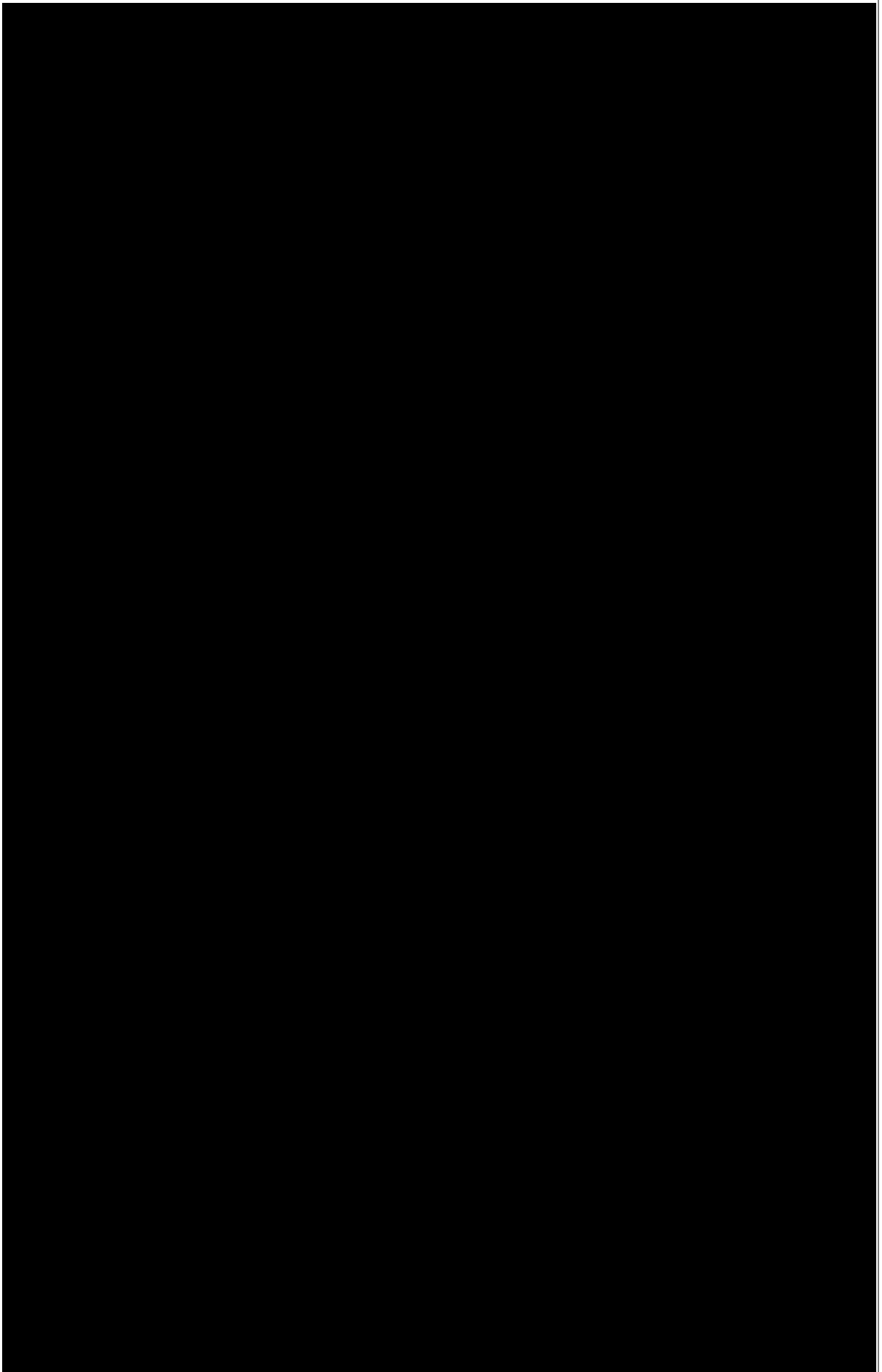
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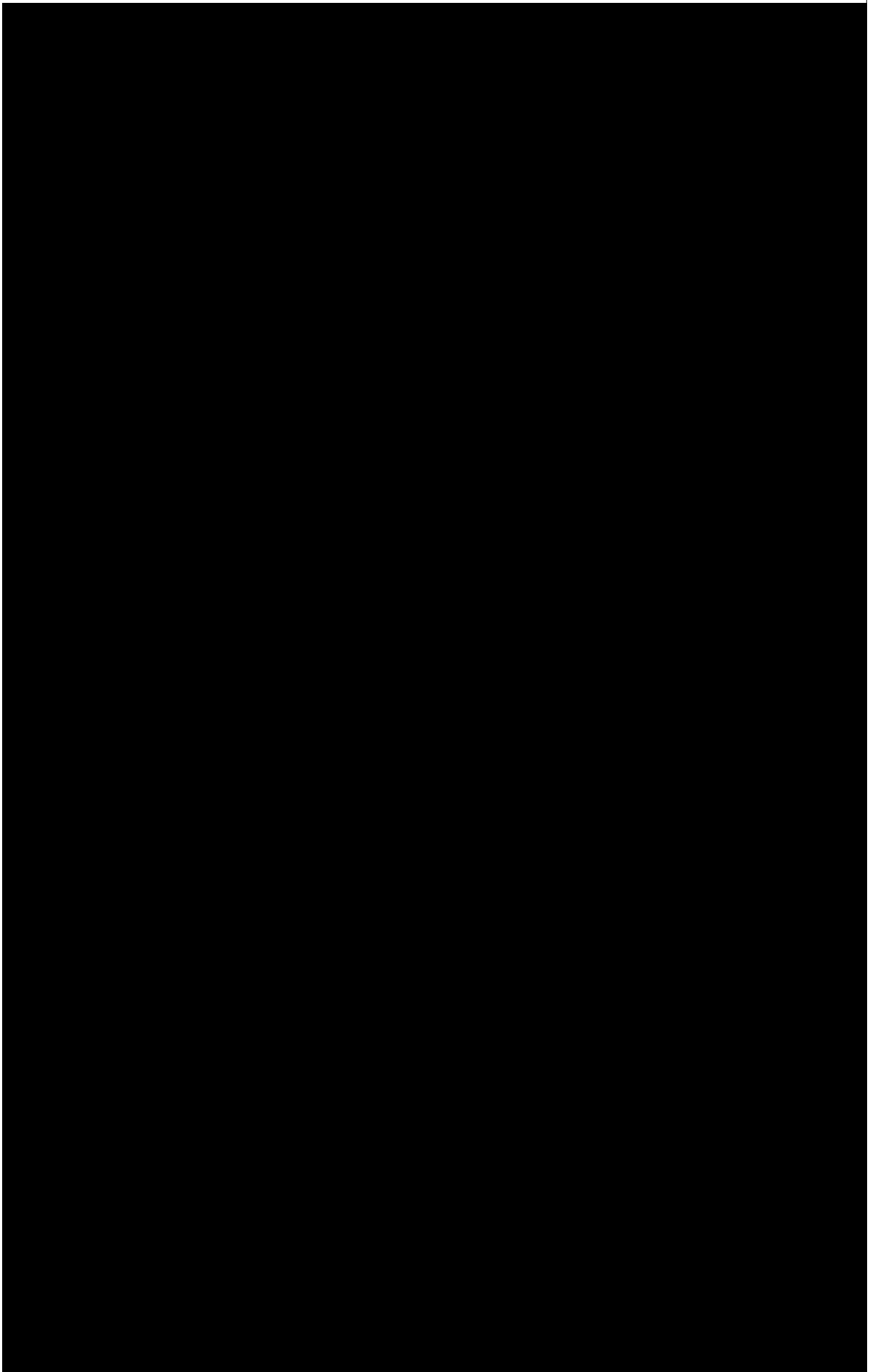
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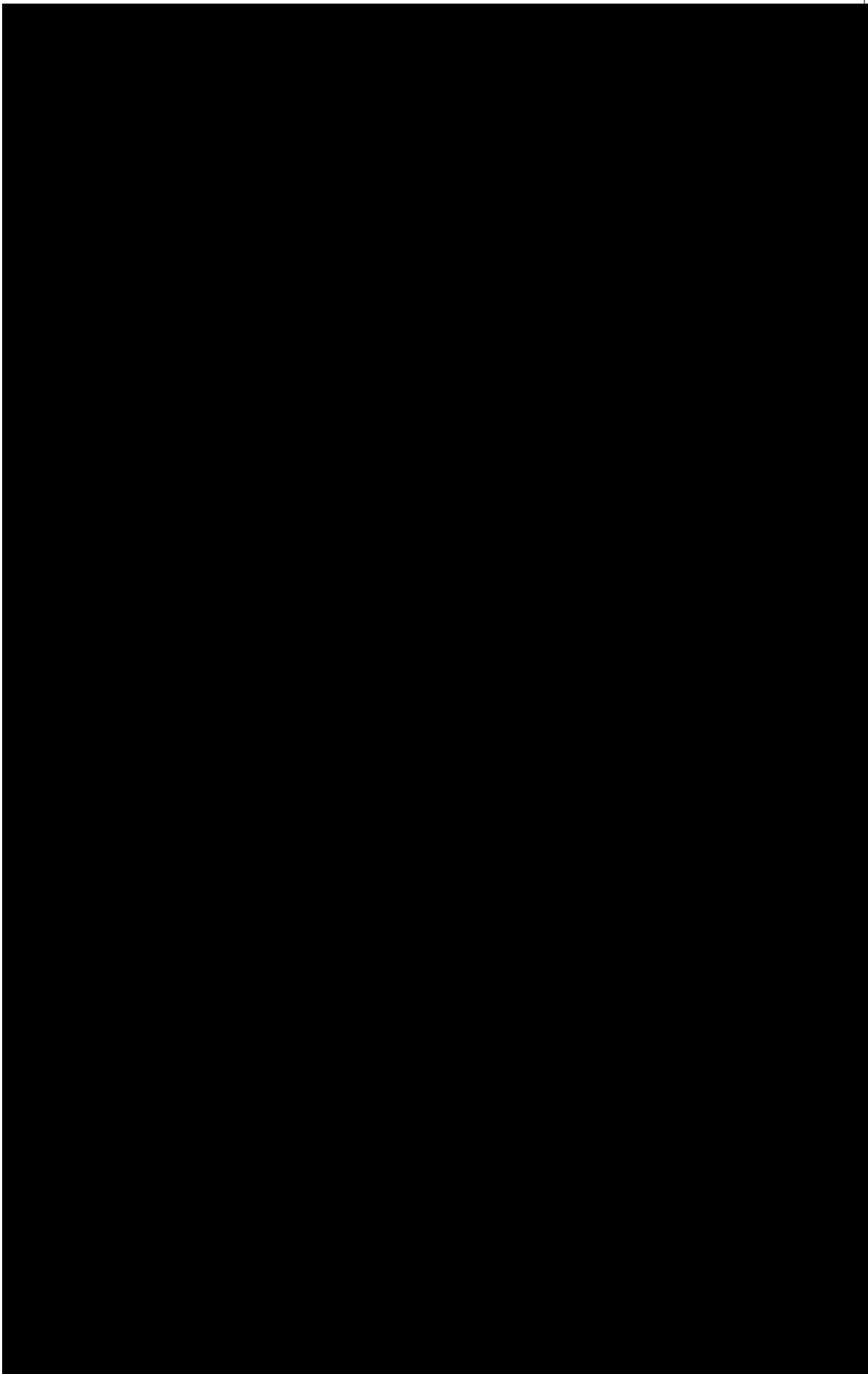
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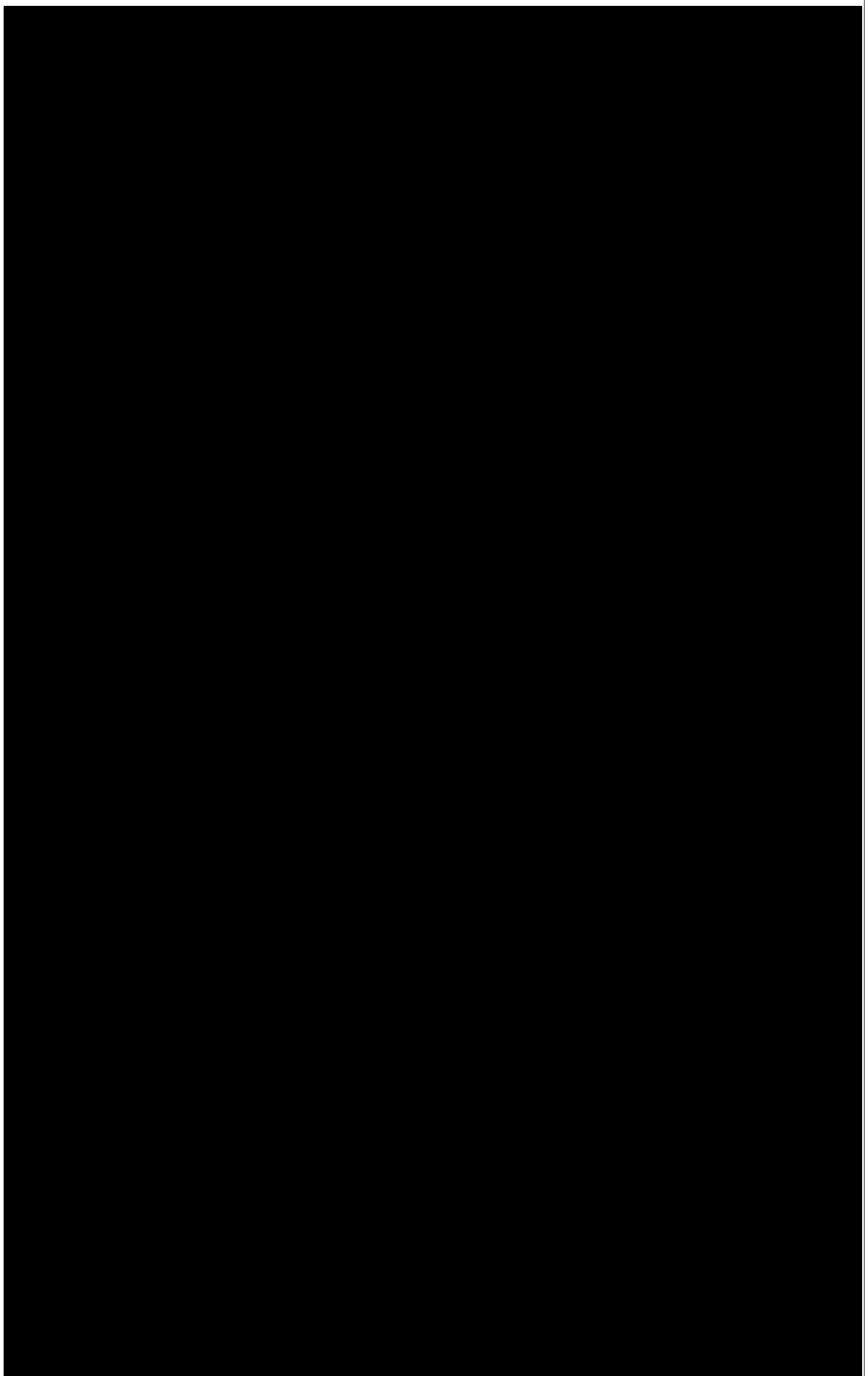
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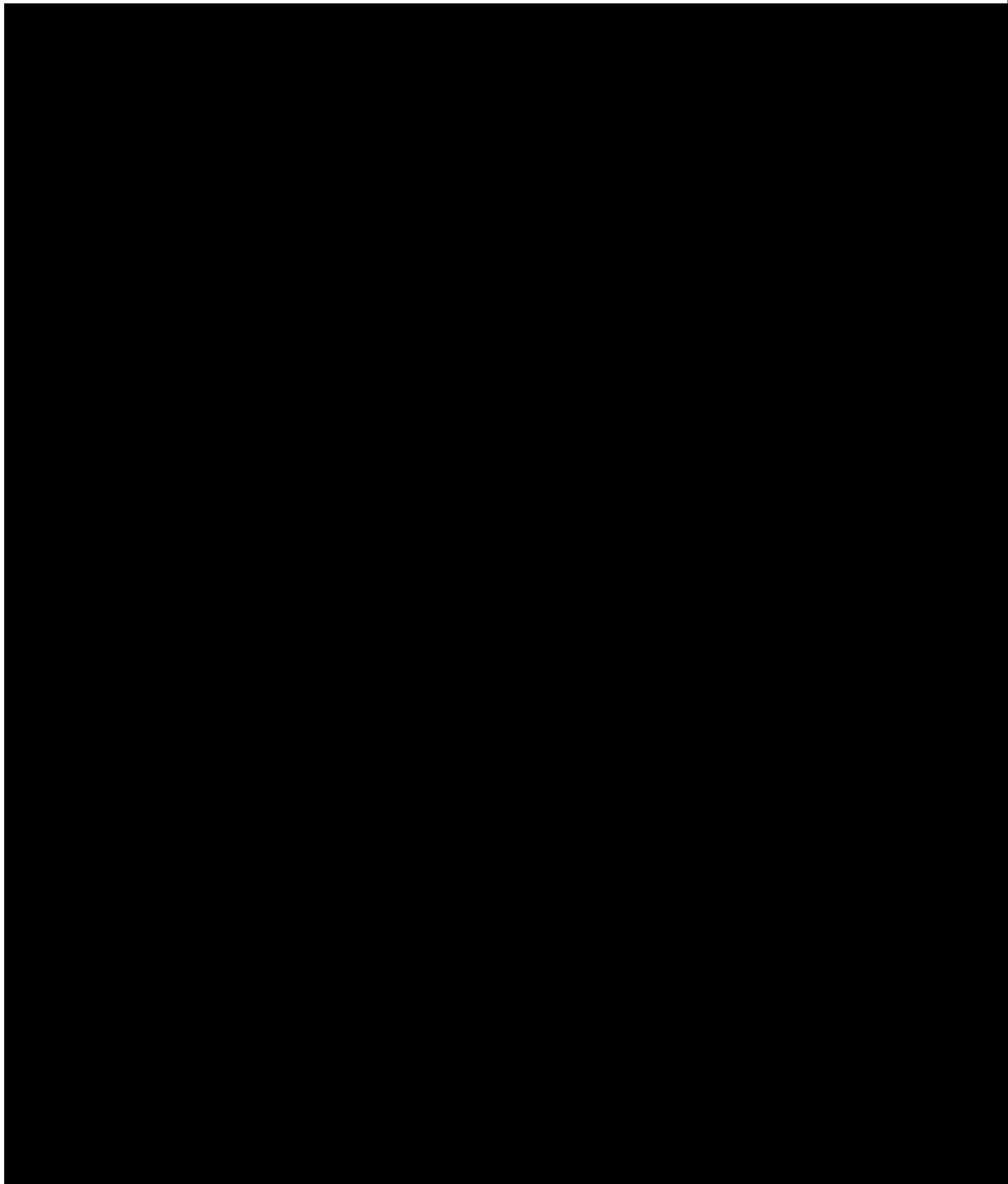
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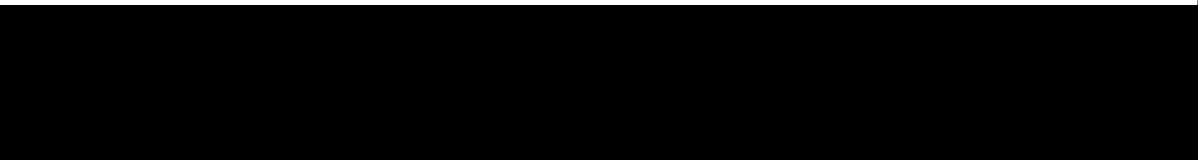
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Q. And last, Exhibit-44 --

MS. KOSKI: Is that a  
repeat?

BY MR. PENNOCK:





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MR. PENNOCK: Okay. I don't think I have -- I have no further questions. Thank you.

MS. KOSKI: I will have a couple, but can I take a quick break first to make it shorter?

MR. PENNOCK: Yes.

VIDEO TECHNICIAN: Going off the record. The time is 3:19.

- - -

(Whereupon, a brief recess was taken.)

- - -

VIDEO TECHNICIAN: Going back on record. Beginning of Media File Number 7. The time is 3:29.

- - -

EXAMINATION

- - -

1 BY MS. KOSKI:

2 Q. Mr. Paonessa, I just have a  
3 few questions about some of the exhibits  
4 that you went through with Mr. Pennock.

5 Do you have the exhibits in  
6 front of you?

7 A. Yes.

8 Q. If you'd turn to Exhibit-6.

9 A. Okay.

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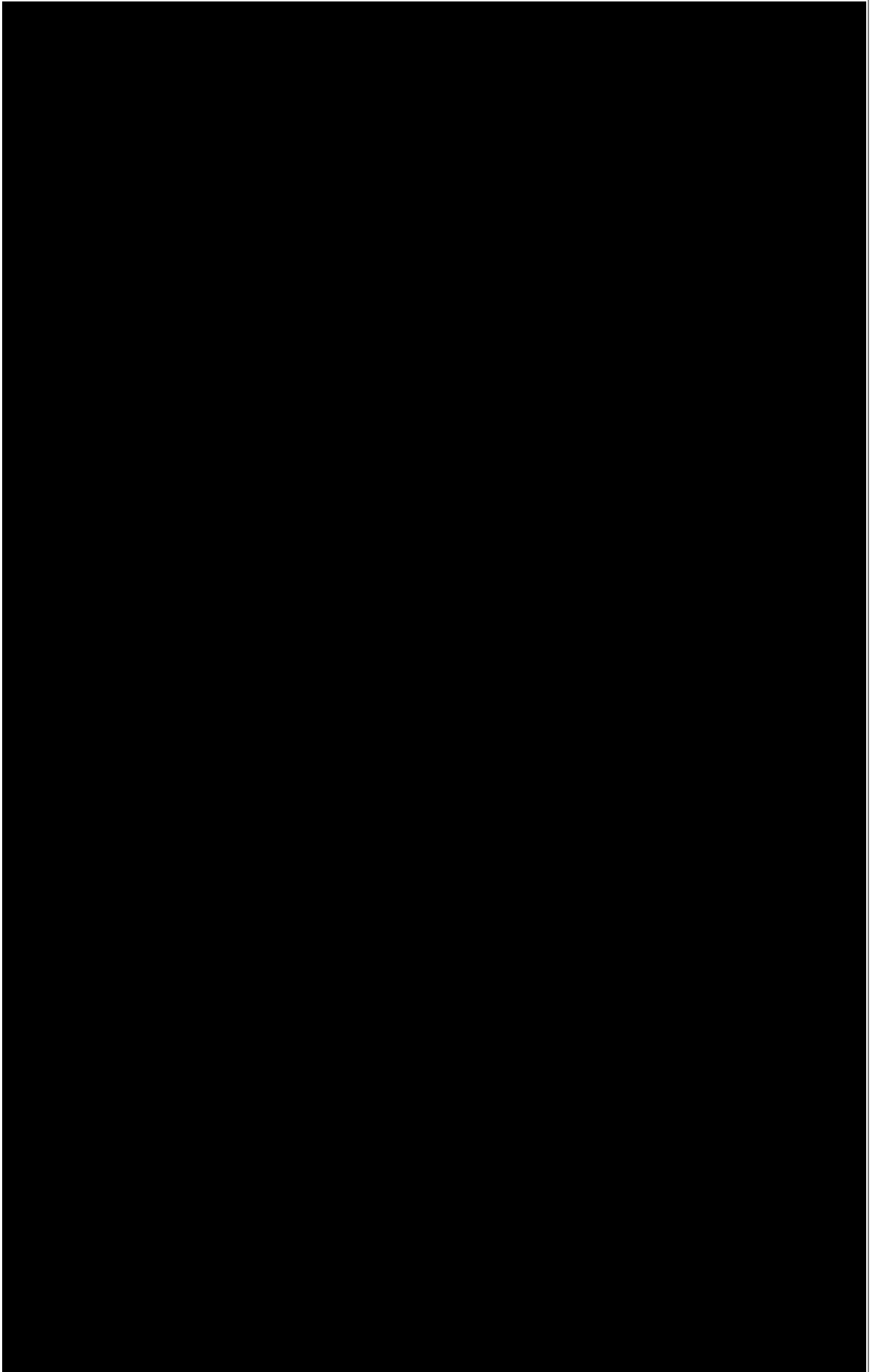
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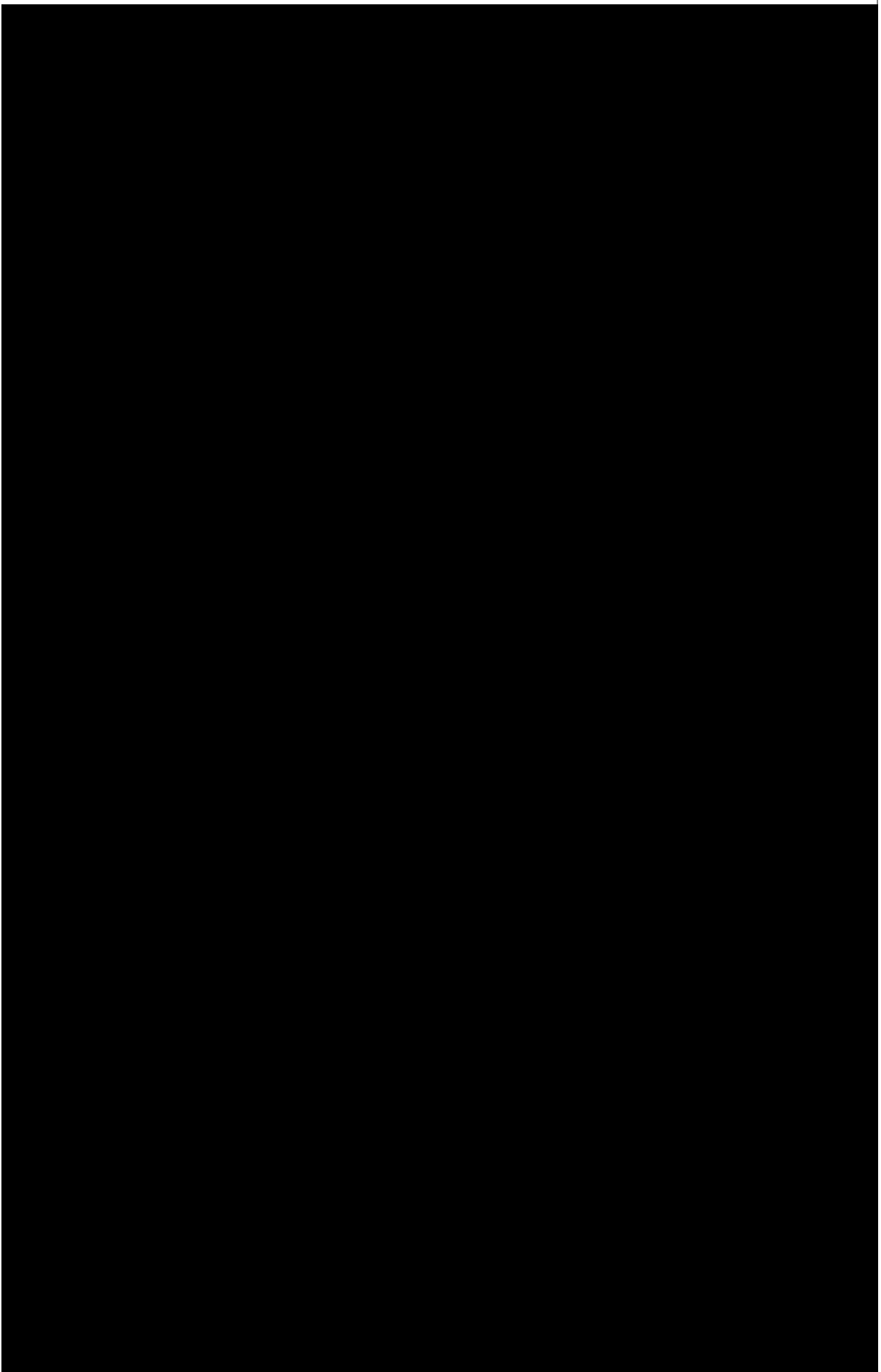
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(Whereupon, Anda-Paonessa

4

Exhibit-45,

5

Anda\_Opioids\_MDL\_0000272207-208,

6

was marked for identification.)

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- - -

8

BY MS. KOSKI:

9

Q. And for the record --

10

A. Okay.

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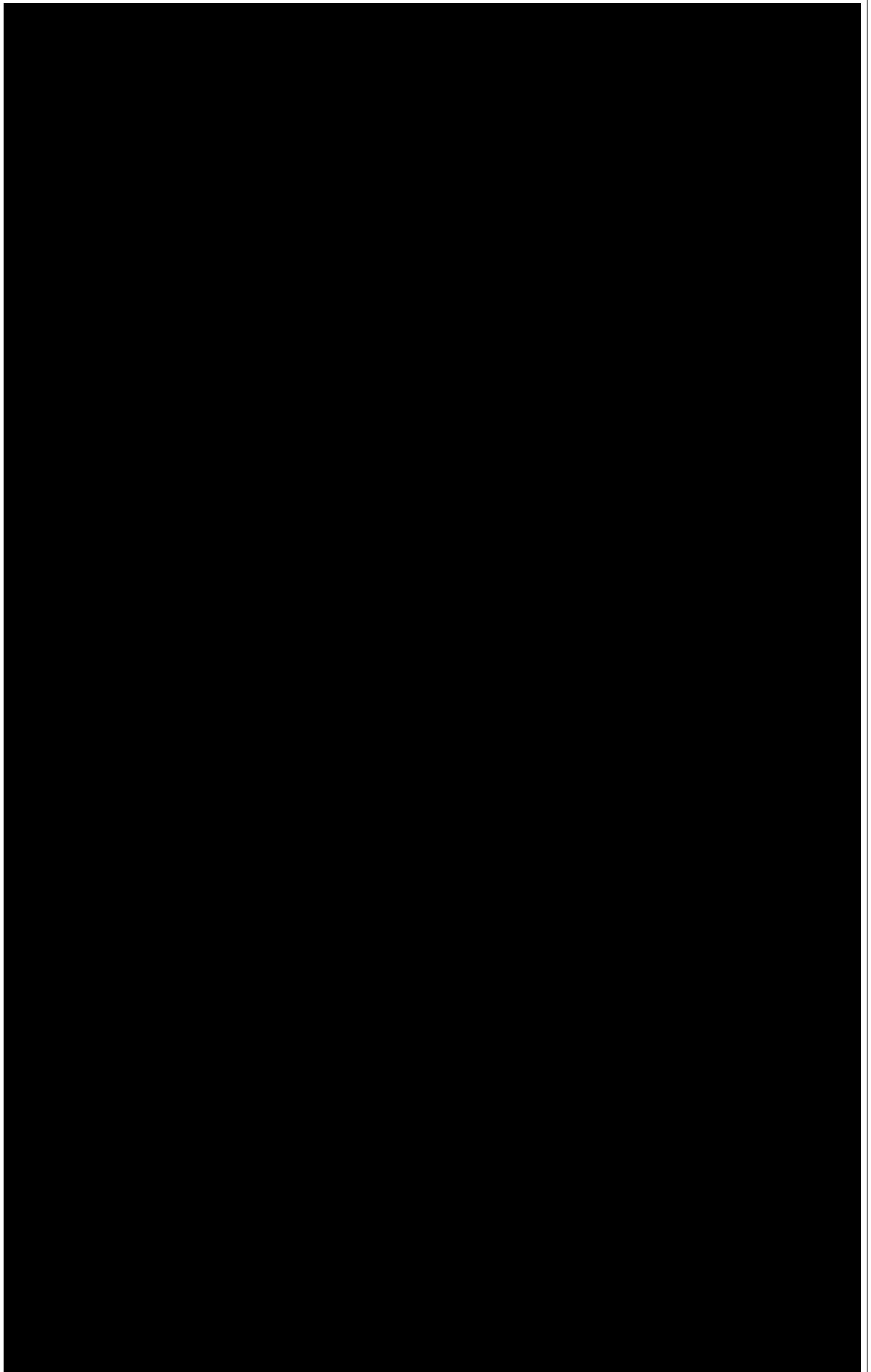
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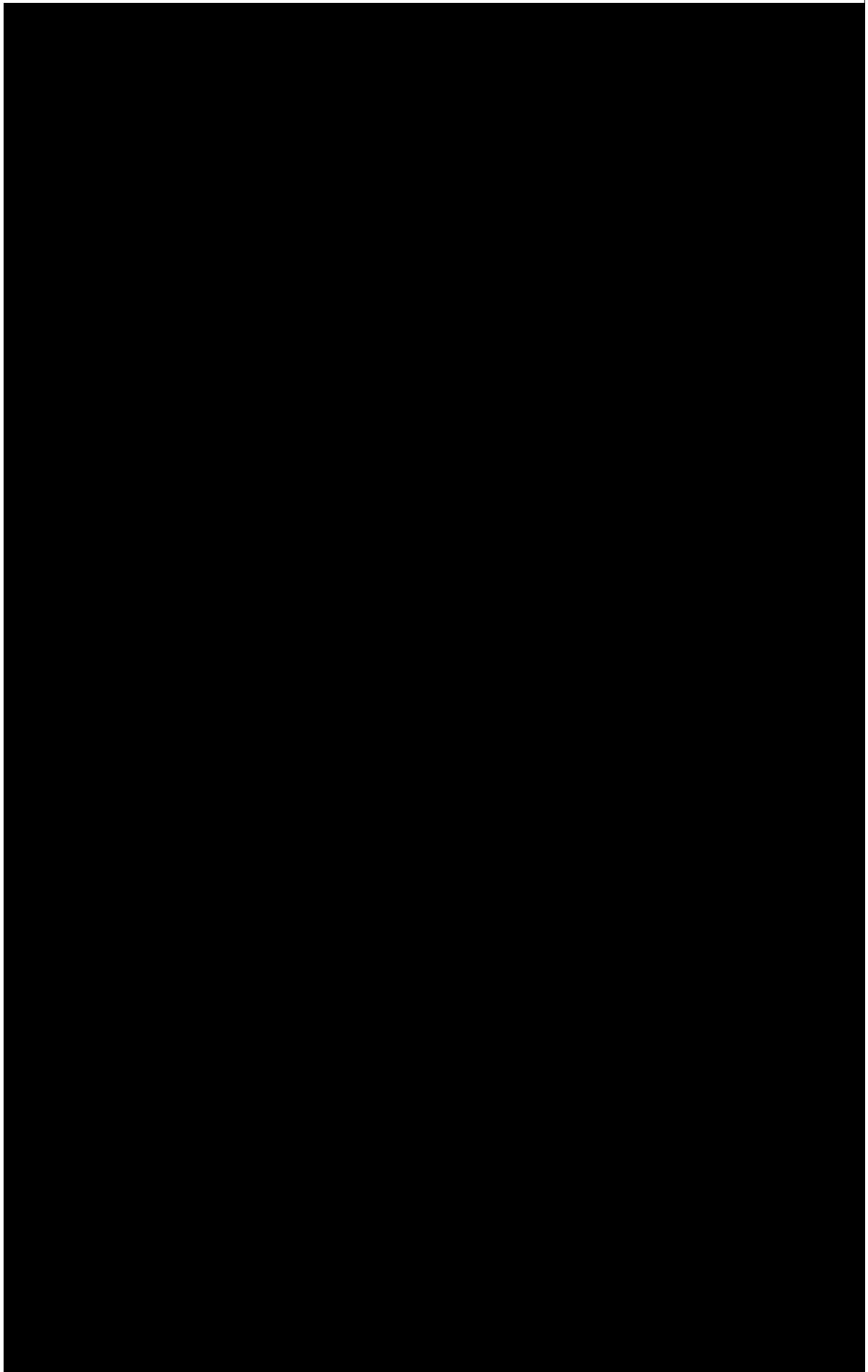
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1 Q. Okay.

2 MS. KOSKI: That's all I  
3 have.

4 Do you have follow-up?

5 MR. PENNOCK: Yes, I do have  
6 a couple. Just a couple.

7 - - -

8 (Whereupon, a discussion off  
9 the record occurred.)

10 - - -

11 MR. PENNOCK: Give us two  
12 minutes. We're just looking for  
13 something.

14 - - -

15 EXAMINATION

16 - - -

17 BY MR. PENNOCK:

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[REDACTED]

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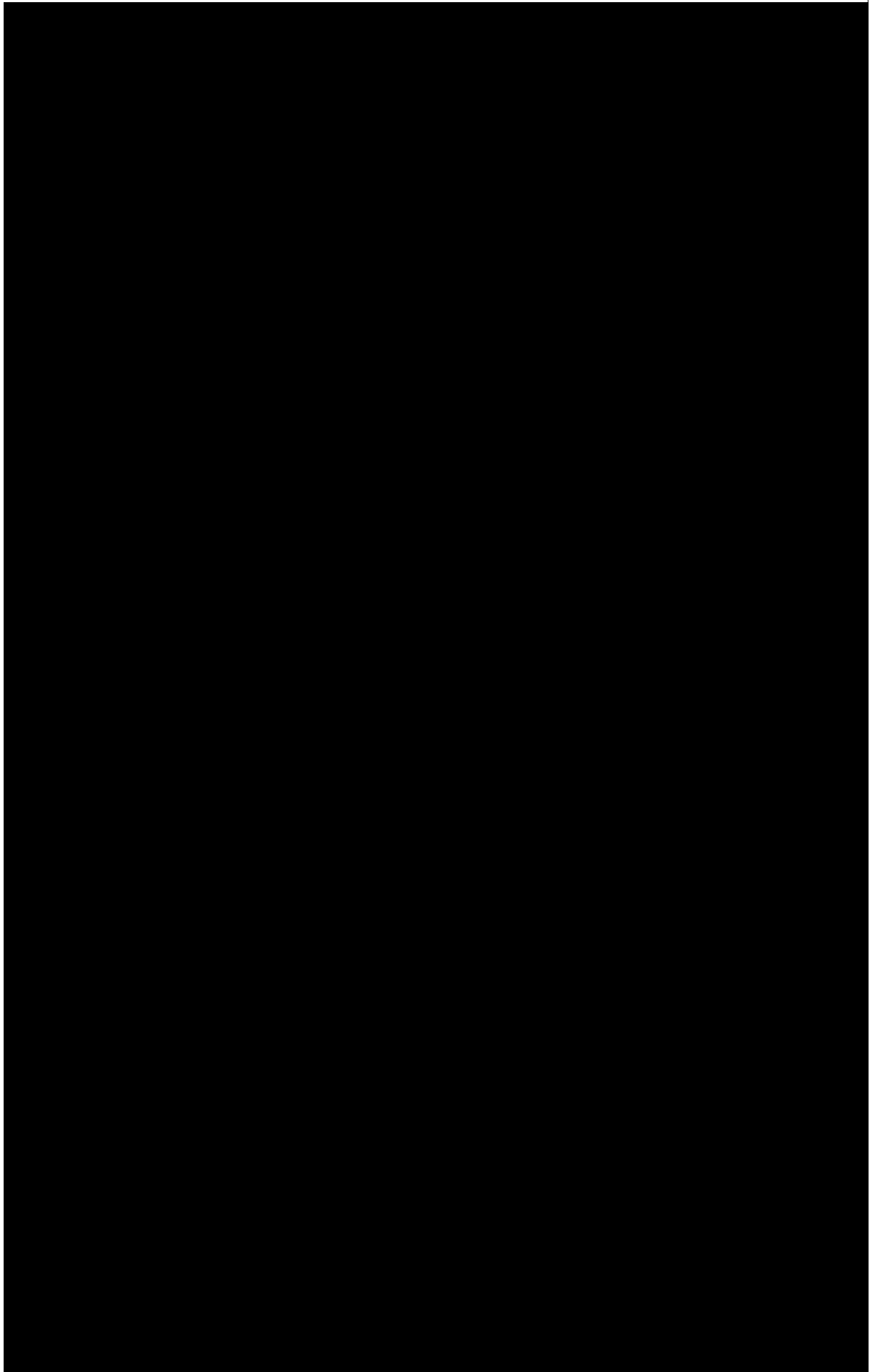
(Whereupon, Anda-Paonessa  
Exhibit-46,  
Anda\_Opioid\_MDL\_Tx-data\_CUY-SUM-OH  
\_00001; With Attachment, was  
marked for identification.)

- - -

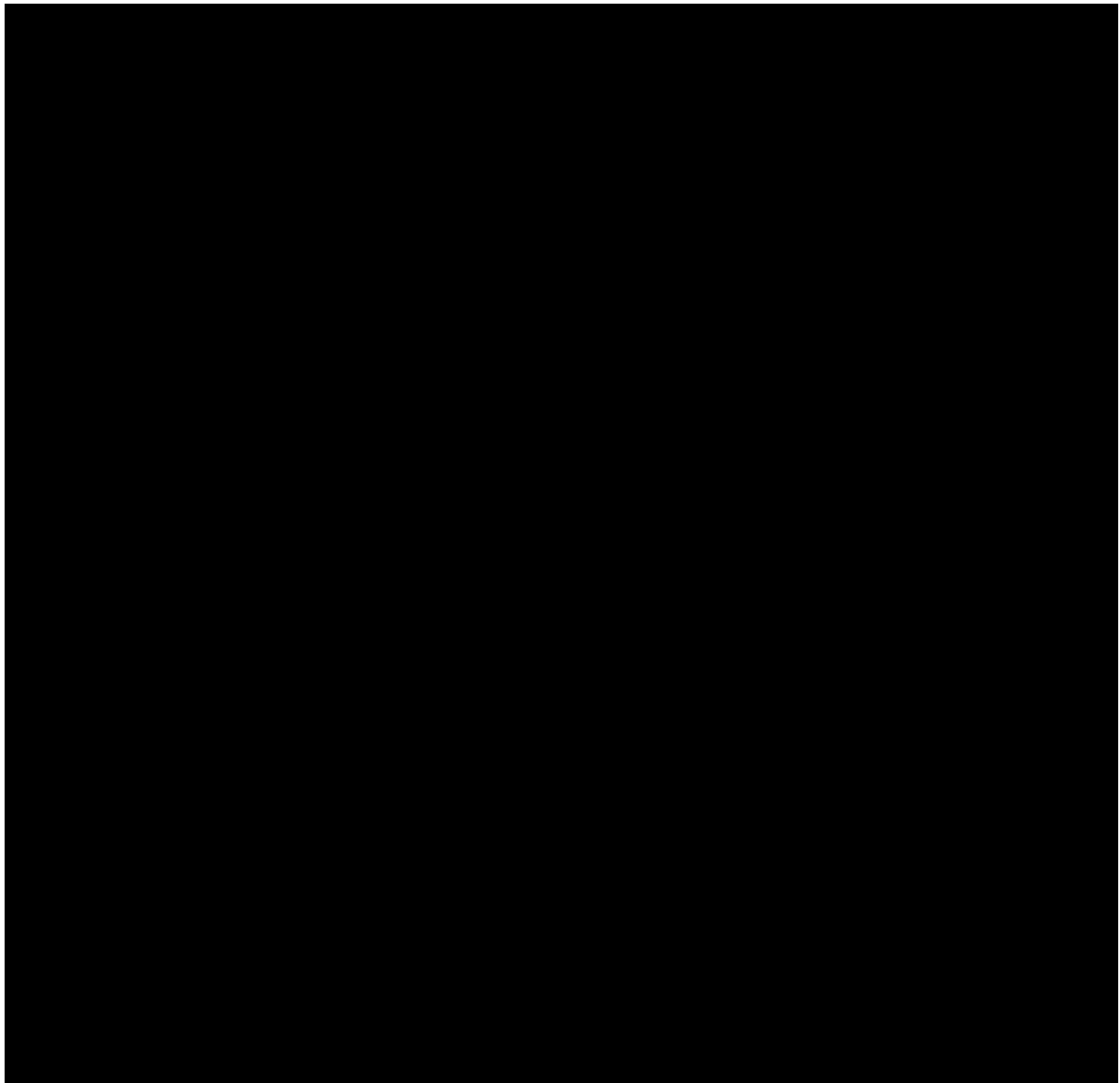
BY MR. PENNOCK:

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MR. PENNOCK: Thank you.

MS. KOSKI: I have nothing  
further.

VIDEO TECHNICIAN: This  
concludes today's deposition.  
Going off the record. The time is  
3:41.

- - -

(Whereupon, the deposition

1 concluded at 3:41 p.m.)

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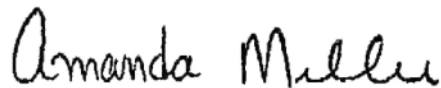
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CERTIFICATE

I HEREBY CERTIFY that the  
witness was duly sworn by me and that the  
deposition is a true record of the  
testimony given by the witness.



Amanda Maslinsky-Miller

Certified Realtime Reporter

Dated: February 11, 2019

(The foregoing certification  
of this transcript does not apply to any  
reproduction of the same by any means,  
unless under the direct control and/or  
supervision of the certifying reporter.)

1 INSTRUCTIONS TO WITNESS

2  
3 Please read your deposition  
4 over carefully and make any necessary  
5 corrections. You should state the reason  
6 in the appropriate space on the errata  
7 sheet for any corrections that are made.

8 After doing so, please sign  
9 the errata sheet and date it.

10 You are signing same subject  
11 to the changes you have noted on the  
12 errata sheet, which will be attached to  
13 your deposition.

14 It is imperative that you  
15 return the original errata sheet to the  
16 deposing attorney within thirty (30) days  
17 of receipt of the deposition transcript  
18 by you. If you fail to do so, the  
19 deposition transcript may be deemed to be  
20 accurate and may be used in court.

1

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E R R A T A

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1 ACKNOWLEDGMENT OF DEPONENT

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I, \_\_\_\_\_, do  
3 hereby certify that I have read the  
foregoing pages, 1 - 221, and that the  
4 same is a correct transcription of the  
answers given by me to the questions  
5 therein propounded, except for the  
corrections or changes in form or  
6 substance, if any, noted in the attached  
Errata Sheet.

7

8

\_\_\_\_\_  
AL PAONESSA

\_\_\_\_\_  
DATE

9

10

Subscribed and sworn  
11 to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

12

My commission expires: \_\_\_\_\_

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Notary Public

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	LAWYER'S NOTES		
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